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Begin and Sadat Advance Border Opening in Sinai

By Christopher Wren

CAIRO, April 3 (NYT) — Israeli Prime Minister Menachem Begin today announced a two-day visit to the Sinai Peninsula in a gesture of goodwill to the announcement that the border between Egypt and Israel will be opened following the return of the Sinai Peninsula to Egypt.

After private talks at Kubbah, Mr. Begin emerged with a statement that would meet in El Arish May 27, the day after the Mediterranean coast town reverts from Israeli occupation to Egyptian sovereignty, and "then we will declare borders from El Arish."

Mr. Begin said that he and Mr. Sadat would visit the Israeli desert of Beersheba by helicopter same day, after which they would determine an air corridor for flights between Cairo airport and Ben Gurion Airport near Tel Aviv.

The projected negotiations on the occupied West Bank of Jordan and the Gaza Strip will be at ministerial level between El Arish and Beersheba, as the military coordination of the agreed withdrawal from the area, Mr. Begin said.

The unexpected acceleration in normalization of relations between the two countries, which eight years within three decades, provided an optimistic end to first visit by an Israeli leader to Egyptian capital. Mr. Begin had yesterday to a correct but ideally cool welcome. He departed 28 hours later with an affable smile.

An Egyptian military band played the Israeli national anthem before Mr. Begin, waving and smiling, disappeared inside Israeli Air Force jet.

The restrained mood did not flow until last night, when Mr. Begin was entertained by Mr. Sadat in a lavish dinner in the garden of the Palace. After viewing the antiquities in the Egyptian Museum this morning, Mr. Begin met

Mr. Sadat again for a private 50-minute conversation that proved more productive than anticipated. In disclosing their agreements, Mr. Begin said, "As you can see, we made very real progress during our talks with President Sadat and we promised to continue our direct contacts so that progress is also made in the future."

"We decided to give an example to others that after so long a period of a state of war, nations can make peace and, more than that, can establish friendship and good-neighboredness," Mr. Begin continued, alluding to their decision to open the border and establish air links well ahead of the period stipulated in the peace treaty.

Sadat Is Satisfied
Mr. Sadat, who left most of the talking to his guest, said that he was "more than satisfied" with the outcome of their meeting. "It is time we had direct contacts. We have agreed upon this," Mr. Sadat said.

The Egyptian leader said that they had wanted to telephone President Carter to inform him of their progress but that the seven-hour time difference made it too early in Washington. Mr. Sadat and Mr. Begin said that they would each call Mr. Carter later from their respective capitals.

Mr. Begin noted that the Israeli Knesset had already ratified the peace treaty, which was signed on March 26, and that he expected the Egyptian People's Assembly to do so early next week. He said that Israeli Foreign Minister Moshe Dayan and Egyptian Deputy Foreign Minister Boutros Ghali would then fly to each other's capital to exchange the ratification documents that will put the treaty into effect.

"Adding to next week's flurry of diplomatic activity, Israeli Defense Minister Ezer Weizman is scheduled to come to Cairo after Mr. Dayan for discussions with Egyptian Defense Minister Kamal Hassan Ali."

The agreement to open the common border in less than eight weeks (Continued on Page 2, Col. 7)



A guide explains some of the fine points of ancient Egyptian artifacts to Israeli Prime Minister Menachem Begin, right, and Mrs. Begin during their visit to a Cairo museum yesterday morning.

In Secret Effort to Influence U.S. Opinion S. Africa Admits Bid to Buy Paper

By Caryle Murphy

JOHANNESBURG, April 3 (WP) — The South African government admitted yesterday that it transferred \$11.5 million to a secret Swiss bank account in 1974 in an effort to buy the Washington Star as part of a multimillion-dollar covert propaganda campaign to gain influence abroad.

The government account of the attempt, presented in Parliament today, was the first official response to press reports here last October alleging that the government had made \$11.5 million available to conservative Michigan publisher John McGoff. Mr. McGoff tried unsuccessfully to buy the Star in 1974 and 1975.

Today's report, prepared by a government commission investigating allegations of misuse of South African funds, was issued as accusations increased that present high officials were involved. The commission, however, reaffirmed its earlier finding that no present Cabinet members had a role in any wrongdoing.

The report did not say who received the money for the highly secret project to buy the Washington Star. Mr. McGoff has previously denied the allegations.

An official at Mr. McGoff's headquarters said last night that Mr. McGoff and his spokesmen were not available for comment on the report.

The South African government investigators said that the \$11.5 million was transferred from the Defense Ministry budget on the order of Nicolaas Diederichs, then finance minister.

Investigators said the money was sent to the Union Bank in Switzerland "to enable the former Department of Information to purchase the 'Washington Star' in the U.S.A." The report did not say what happened to the money after that.

In an interview, however, a well-placed source here said that Mr. McGoff was the conduit for the money.

After Mr. McGoff's initial unsuccessful effort to buy the Washington Star, it was purchased in 1974 by Texas millionaire Joe Allbritton. Mr. Allbritton sold it to Time Inc. a year ago.

Botha Objection
According to the investigators' report, Prime Minister Pieter Botha, then defense minister, objected to the transfer of money from his ministry but was not aware of what the money was to be used for.

An investigation is continuing into whether all the money has been returned to South Africa, the official report says. According to newspaper reports here, Mr. McGoff used some of that money after the Star bid failed, to buy a California newspaper, the Sacramento Union. The investigators did not mention that today.

The admission of the attempt to buy the Washington Star is likely to trigger U.S. Justice Department inquiries into whether the South African or other U.S. partners violated any of the laws that require foreign government money transfers to be registered with the U.S. government.

The investigative report was ordered by Mr. Botha to quell the controversy surrounding his government as allegations mount that he has tried to cover up the scandal, involving the possible misuse of millions of dollars by top South African officials.

Increasingly, the scandal's political repercussions are presenting Mr. Botha with the possibility of having to hold an early election. That could allow the conservative wing of the ruling National Party

to gain the upper hand and force Mr. Botha to abandon his plans for a new constitutional arrangement that would share some power with Indians and coloreds at the national level.

The three-man judicial commission headed by Judge Rudolph Erasmus, which prepared the investigative report, yesterday reaffirmed conclusions it released in December that none of the present Cabinet ministers had a part in the financial abuses of the now-defunct Information Ministry, including the covert funding of the pro-government newspaper, the Citizen.

The Erasmus commission, however, said it would be ready to amend these conclusions if new evidence is brought to its attention.

Its report is unlikely to halt the widening crisis for the government, because there is no explanation of discrepancies between the report's conclusions and allegations by two former government officials implicating the current finance minister and President John Vorster in the Citizen project.

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According to U.S. Aides 'Immediate Danger' Said Past at N-Plant

HARRISBURG, Pa., April 3 (AP) — Rep. Morris Udall, D-Ariz., said in Washington today that Carter administration officials had told him that "we're out of the period of immediate danger" from the accident at the Three Mile Island nuclear power plant. He added, "We were very close to a real disaster."

Mr. Udall, the chairman of the House subcommittee on energy and the environment, also labeled as speculation a statement by Sen. Gary Hart, D-Colo., that the crippled reactor may be so contaminated by radiation that it might not be reopened.

Officials said that the radioactivity in the four-foot-thick concrete containment had been measured as high as 30,000 rems per hour, almost 100 times the lethal dose. Thomas O'Toole of the Washington Post reported from Washington, At the very least, this means that fission products like iodine 131 and xenon 133 are all over the floor, ceiling and walls of the containment.

[There is a possibility that more poisonous fission products like cesium 137 and strontium 90 are in the containment, Mr. O'Toole reported. These fission products have half-lives of 29,000 years, meaning that they lose only half their radioactivity in that period.

[The bulk of the radiation measured inside the containment is believed to be xenon 133, a gas with a half-life of five days. The iodine 131 probably has "plated out" as a liquid on the walls of the containment. Iodine 131 has a half-life of eight days.]

Optimism in Area
Mr. Udall made his remarks as local authorities said that optimism about the improving conditions at the facility was prompting some schools to reopen and some of the estimated 50,000 to 250,000 residents who left the area to return.

Nuclear Regulatory Commission officials expressed doubt about the permanent loss of the reactor and said that the gas bubble inside was

continuing to shrink. But they were concerned that vital instruments might fail because of the intense radiation, making it impossible to measure the conditions in the reactor.

In Washington, Mr. Hart, the chairman of the Senate subcommittee on nuclear regulation, said that "it might be more expensive to clean up the plant than it was to build it. It might be a \$1-billion mausoleum." Mr. Hart's office said that he was referring to the crippled reactor, not to another, undamaged reactor at the site.

Mr. Udall was quoted early today as saying that the contamination was "unprecedented in the history of nuclear power" and was "so

bad it will be months before any possible cleanup can begin, if indeed a cleanup is possible." But he said that any statements about a permanent shutdown were "just speculation."

[The nuclear commission has told members of Congress that it will be months before an inspection can be made of the containment building where the reactor is housed. The Washington Post reported. Even then, a robot would have to be used for the inspection because the building would be too hot for human entry.] Robert Bernero, the nuclear commission's assistant director for material safety standards, said that the decontamination (Continued on Page 2, Col. 3)

After 8 Days of Fighting Iran Military Moves North As Turkoman Battle Ends

GONBAD-E KAVUS, Iran, April 3 (Reuters) — Army tanks and air force troops moved into this northeastern town today after eight days of sectarian street fighting, then advanced north toward the Soviet border to flush out retreating Turkoman guerrillas.

The armed forces met no resistance as they rumbled into the historic market town following the end of fighting between pro-government Islamic militiamen and guerrillas of the Turkoman ethnic minority seeking autonomy.

Several hundred army and air force troops continued north on the rugged road toward the Soviet border, 130 miles away, apparently to try to reestablish the government's authority in the largely Turkoman border area. The troops disarmed small groups of Turkoman villagers who had been heading south into the town, unaware that the fighting had ended.

[The revolutionary guards of Ayatollah Ruhollah Khomeini arrested 70 Marxist Fedeyeen guerrillas who had been helping the Turkomans, Tehran newspapers said, according to United Press International. Eighteen hostages, including the Gonbad-e Kavus police chief, were released by the Turkomans, the newspapers reported.]

The armed forces entered Gonbad-e Kavus after a cease-fire was announced by the army this morning. By then the Turkoman fighters had retreated to outlying villages or handed in their weapons at their mosque and returned to their homes.

Although Premier Mehdi Bazargan last weekend blamed infiltrators from abroad for much of the trouble in the town, the Turkomans say the Soviet border is closely guarded and they have no contact with their relatives on the other side. They say they fought entirely with captured Iranian military weapons and got their food supplies from outlying villages after the fighting disrupted food supplies in the town.

The Iranian Turkomans, descendants of the tribesmen who for centuries terrorized central Asia, took over all the gendarmerie posts along their part of the frontier area last week, capturing arms for their battle with the Persian population.

A Turkoman doctor said today that his Persian colleagues had told him 30 Turkomans and 116 Persians had been killed in the fighting. Persian militiamen said yesterday that 50 of their number and 150 Turkomans had died. No Turkomans or correspondents have been allowed to visit the town, though, in the Persian sector of the town.

Boycott of Referendum
According to the Turkomans, the fighting erupted after the Islamic militiamen, armed civilians who took over police posts after the revolution, opened fire at a Turkoman rally on March 26 near the town's 973-year-old tower. The Turkomans had decided at the rally to boycott last weekend's referendum on the establishment of an Islamic republic of Iran.

A nearby Turkoman cultural center was ransacked the same day, further fanning racial hostility. The Turkomans are Sunni Muslims; most Iranians belong to the Shiite sect of Islam.

The Turkomans insist that the fighting had nothing to do with religion and said they were only defending themselves and demanding more rights. Their rebellion was the second major problem for Ayatollah Khomeini and his provisional government. The previous week, the Kurdish ethnic minority in western Iran besieged an army garrison for three days with heavy casualties on both sides. The Kurds, also Sunni Muslims, were demanding more say in their own affairs.

China to Let Soviet Pact Expire

By Fox Butterfield

HONG KONG, April 3 (NYT) — China announced today that it decided not to extend its treaty of Friendship, Alliance and Mutual Assistance with the Soviet Union as it expires next year.

The treaty, which was signed by Mao Tse-tung and Stalin in the heyday of relations between the two countries in 1950, has long been a dead letter and Peking's announcement today did not come as surprise. China's action is largely formal recognition of the deep rift between the two Communist neighbors and is not expected to have any major practical consequences.

The Chinese news agency said it the decision was made at a meeting yesterday of the standing committee of the National People's Congress, China's nominal legislature. "In view of the fact that great changes have taken place in the international situation and that the treaty has long ceased to exist except in name owing to violations for which the Chinese side is not responsible," the agency said, China will not extend it beyond April 11 of next year, when the pact expires.

The treaty was signed on Feb. 14, 1950, and came into force on April 11 of that year. But, under a complex option, it would have been extended automatically for five years if neither side acted between Feb. 14 and April 11 of this year. Peking's decision was conveyed to the Soviet ambassador to China, J.S. Huang Hsin today.

The treaty had strong anti-Japanese overtones, stemming from Japan's invasion of large parts of Chinese territory in the 1930s. Article 1 of the pact pledged, "In the event of one of the high contracting parties being attacked by Japan or states allied with it, the other contracting party will immediately render military and other assistance with all the means at its disposal."

But last summer China and Japan signed a treaty of peace and friendship, and Japan has emerged as China's major trading partner and chief supporter in its drive for economic modernization. Last fall, Chinese Deputy Premier Deng Xiaoping (Teng Hsiao-ping) signaled during a trip to Japan that Peking

would probably not renew its pact with the Soviet Union. Moscow's signing of a treaty with Hanoi last November, followed by Vietnam's takeover of Cambodia, China's ally in Southeast Asia, served as a further catalyst to Peking's decision now not to extend the pact with the Russians.

The split between China and the Soviet Union began during the late 1950s. It involved deep historical antagonisms between the two countries, Mao's ideological extension of Soviet revisionism, or consumer Communism, and arguments over Soviet aid to China.

As another sign of the changing times, only three months ago China and the United States normalized their diplomatic relations after a break of nearly 30 years and Washington has moved to end its mutual defense treaty with the government on Taiwan.

Russia Attacks China Decision
MOSCOW, April 3 (Reuters) — A Soviet radio station today denounced China's decision not to renew the friendship pact. "The Chinese decision not to prolong the treaty is a logical extension of Peking's anti-Soviet, anti-socialist policy, a policy for collusion with the rank reactionaries and imperialists," the Radio Peace and Progress said. The radio describes itself as the voice of Soviet public opinion.

whole in the country," asserted Marcelino Camacho, a Communist labor leader, as he cast his ballot in Madrid. "It's not the same to have mayors who call the police to break up demonstrations instead of mayors who lead demonstrations."

Victory for All
Mr. Suarez, busy putting together a new list of Cabinet members, made no such triumphal predictions, but, given the large number of candidates and municipalities involved, all parties will probably claim some form of victory when the votes are counted tomorrow.

Basque nationalists were widely expected to do well in their troubled northern region, which has a strong tradition of local government. Victories for the middle-of-the-road Basque Nationalist Party and smaller radical groups, which have ties to the separatist organiza-

tion ETA, will sharpen the growing confrontation between disaffected Basques seeking autonomy and the central authority in Madrid.

In Andalusia, infamous for its bossism, the upstart Socialist Party of Andalusia has been running a strong campaign, and some polls showed that it would gain a significant number of councilors in cities such as Seville, Malaga and Cadiz. The small party's five parliamentary seats helped the minority government of Mr. Suarez secure a majority in the Cortes (parliament) last week, and in the south it could hold the deciding balance between the government party and the left in several municipalities.

More than 200,000 candidates were running across Spain for nearly 70,000 council seats in about 8,000 municipalities ranging in size from the sprawling capital, with its (Continued on Page 2, Col. 4)

In First Local Voting in 46 Years

Spain Returns to Municipal Democracy

By James M. Markham

MADRID, April 3 (NYT) — For the first time in 46 years, Spaniards today elected municipal councilors and mayors — one of the final steps in the nation's gradual political reform since the Franco regime.

Voting across the nation was light, but the Socialist and Communist parties expected to poll strongly in big cities such as Madrid and Barcelona, and pool their council seats to elect leftist mayors.

But Premier Adolfo Suarez's governing centrist party, fresh from its victory in the March parliamentary elections, was hopeful of winning city halls in a number of smaller province capitals, as well as in many rural constituencies where it has entered far more lists of candidates than have its opponents.

"Today is going to mark an important advance for the left as a

whole in the country," asserted Marcelino Camacho, a Communist labor leader, as he cast his ballot in Madrid. "It's not the same to have mayors who call the police to break up demonstrations instead of mayors who lead demonstrations."

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Spanish Premier Adolfo Suarez has his identity checked before casting his ballot in municipal elections yesterday. His wife, Amparo Ilana de Suarez, left, looks on with curious bystanders.

Frankfurt Blast Hurts 10 Persons

FRANKFURT, April 3 (UPI) — A bomb exploded today in an air-mail distribution center at Frankfurt International Airport, injuring 10 airline employees, three seriously.

The device exploded five minutes after the workers, employees of Lufthansa Airlines, pushed a trolley carrying several bags full of air-mail packages into the distribution center, a wing of the main terminal.

"We don't know if the bomb was in a package or taped beneath the trolley or in the trolley," said Frank Beckmann, Lufthansa vice president in charge of world traffic and sales. He said there had been no warning of the bomb or any calls afterwards claiming responsibility for it.

Heavy Fighting in Western Area

Vietnamese Units Launch Offensive in Cambodia

BANGKOK, April 3 (UPI) — Vietnamese troops have launched a major offensive in Cambodia, attacking Khmer Rouge strongholds and taking over an abandoned town in the western part of the country, military and intelligence sources said today.

At least 600 Cambodians, including more than 100 well-armed Khmer Rouge soldiers, fled the fighting into Thailand yesterday and gave themselves up, Thai military sources said.

At the same time, Hanoi gave its first report of fighting with troops of the ousted regime of Premier Pol Pot, claiming that hundreds of Khmer Rouge were killed or captured in a province south of Phnom Penh.

The Vietnamese push, involving up to 50,000 regular troops, has touched off heavy fighting through much of western Cambodia. Western intelligence sources said.

The offensive appears to be aimed at driving the Khmer Rouge

— estimated to number between 5,000 and 15,000 soldiers — deep into the jungled hills to secure towns, roads and rice-growing areas from guerrilla attack before the rainy season begins in about three months, the sources said.

Thai military sources said that some of the Vietnamese forces were landed on the southwestern coast from naval vessels.

Elements of three Vietnamese divisions, including a column of tanks, pushed into the burned-out and deserted town of Pailin, once a major gem-mining and logging town about 10 miles from the Thai border, the sources said. They said that about 600 persons crossed the Thai border at Don Chompou Village south of Pailin.

Thai border police confiscated more than 10 assault rifles, mostly U.S.-made M-16s, 4 rocket-propelled grenades and a variety of other weapons from the Khmer Rouge, the military sources said.

For the first time since the Pol Pot regime was ousted from power on Jan. 7, the Vietnamese news agency gave a report on battles with Khmer Rouge henchmen.

Big Soviet Fleet Said Off Angola

JOHANNESBURG, April 3 (AP) — A large Soviet naval fleet is currently on maneuvers in the south Atlantic, Radio Angola reported today.

The official government radio gave no details of the exact size of the fleet, saying only that the ships were undergoing "navigation exercises."

Radio Angola said that the aircraft carrier Minsk was in the harbor of Luanda, the Angolan capital, for a goodwill visit. Angolan President Agostinho Neto and senior members of his government were guests aboard the vessel during the weekend, the radio reported.

500 Indochinese Refugees Allowed to Stay in Japan

TOKYO, April 3 (NYT) — The Japanese government today changed its policy concerning Indochinese refugees and decided to allow 500 of them to settle here permanently.

The Foreign Ministry declared that the refugee problem "is an element of potential instability in the Asian-Pacific region and that Japan is now ready to play a positive role in the solution of this issue as the only advanced industrial country in Asia."

According to the new policy decided at a Cabinet meeting today:

- At least 500 Indochinese refugees will be allowed to remain in Japan if they have a stable job. Until now, refugees could stay only if they had a Japanese guarantor.
- The government will provide refugees who want to stay with Japanese language and vocational training.
- The refugees who are temporarily staying in Southeast Asian nations and who have some relations with Japan will be allowed to enter the country. Relatives of Japanese or of aliens living in Japan, who were employed by Japanese citizens for more than a year, meet this condition.

The government also decided to allow students and former students from Indochina to stay in the country if they came to Japan before the spring of 1975 and were not able to return home. The students will not be included in the 500 new refugees permitted to stay.

Policy Criticized

Last year, the Japanese government announced that it would accept Indochinese refugees. However, an international conference on refugees in Geneva in December sharply criticized Tokyo's policy because it attached various conditions on the stay of refugees and did not clearly state the number of refugees Japan would accept.

A total of 2,025 Vietnamese refugees have arrived in Japan since 1975. Among them, 1,520 moved

Western Nations Offer New Plan On S.W. Africa

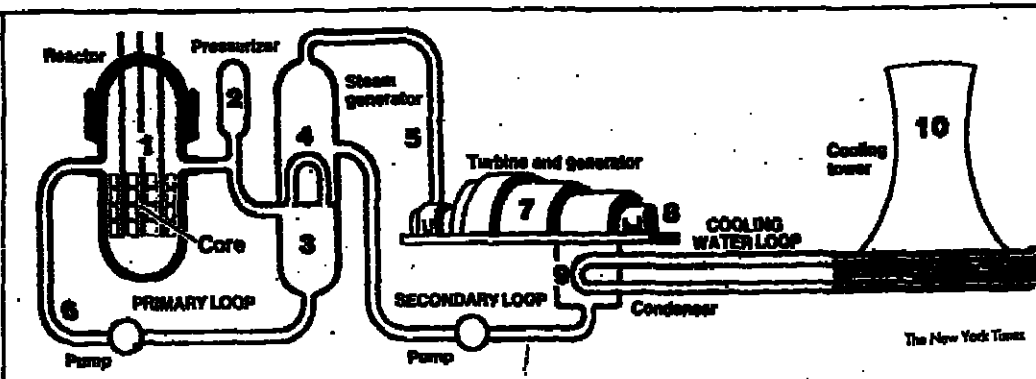
CAPE TOWN, April 3 (AP) — Five Western nations seeking a settlement that would free South-West Africa (Namibia) from white-ruled South Africa have offered a new proposal dealing with black guerrillas, it was announced yesterday.

South African Foreign Minister R.F. Botha released information about the proposal involving a possible cease-fire followed by UN-sponsored elections in the territory administered by South Africa since 1920.

One provision would call for the United Nations to supervise guerrilla bases set up inside South-West Africa. Mr. Botha said that guerrilla bases of the South-West Africa People's Organization in Angola and Zambia would remain unmonitored under the proposal.

The first contingent of UN peacekeeping forces had been scheduled to arrive in the territory last month to lay the groundwork for elections, but the schedule was discarded after South Africa and SWAPO raised new objections.

Mr. Botha said some problems still must be resolved before a final plan is approved.



The Ins and Outs of a Pressurized-Water Reactor

In a pressurized water reactor, water is heated by the uranium core (1), then pressurized to prevent vaporization (2) before flowing into a steam generator (3). The water from the reactor transfers its heat through pipe walls (4) to generate steam in the secondary water loop (5). The radioactive water is supposed to circulate continually in the closed primary loop (6), although in the incident at Three Mile Island some of it apparently escaped, contaminating the secondary loop. In the secondary sys-

tem, steam blasts against turbine blades (7), turning them at 1,800 revolutions a minute. The connecting shaft of the generator (8) rotates a coil of wires in a magnetic field, creating electricity. The steam that powered the turbines is cooled in the condenser (9), returning to liquid form, and recirculated through the secondary system. The water used to cool the steam is then itself cooled by drafts created in the cooling tower (10), which carry the heat into the atmosphere.

'Immediate Danger' Over at Nuclear Site

(Continued from Page 1)

nation process would be a major operation that could take a year or two. He added, however, "I doubt that it cannot be used again... I don't know."

Preschool children and pregnant women still were being warned to remain at least five miles from Three Mile Island, and public schools in a 10-mile radius remained closed. But Catholic schools reopened today, and public schools outside the five-mile circle were to reopen tomorrow.

A spokesman for the nuclear commission reported that measurements showed the volume of the gas bubble was being reduced while radiation emissions apparently had eased. "We're going to check it, re-check it and check it again," spokesman Jim Hanchett said of the bubble's size.

Reactor Instruments

Scientists, meanwhile, were studying the potentially explosive gas bubble and monitoring the sensitive instruments in the reactor. "We know many of these systems may be at or beyond their design performance," said Karl Abraham, a commission spokesman.

Technicians worked to dissolve the bubble's hydrogen by defusing it into the cooling water piped into the reactor. In another building, it then bubbled up and released carbon dioxide. They also activated a hydrogen recombiner encased in lead bricks, which helped blend in oxygen to form water, further drawing gas from the reactor to hasten the moment when it can be brought to a cold shutdown.

A cold shutdown is the point at which the reactor no longer poses a risk of going out of control. Water in the reactor, about 60 degrees hotter than boiling, must be brought below boiling and the pressure relieved.

Richard Vollmer, the commission's assistant director for site analysis, said that the instruments and safety equipment were designed to withstand high radiation, and that "we would expect that these would be capable of taking it."

Among other developments:

- In Washington, Energy Secretary James Schlesinger said yesterday that, despite the accident, Congress should act to speed up the licensing of nuclear power plants. He said that there was no alternative.

Cosmonauts Free Delivery Craft

MOSCOW, April 3 (Reuters) — Two Soviet cosmonauts working aboard the orbiting space station Salyut-6 late today cast free an unmanned progress craft that had delivered new fittings and supplies to them.

The automatic transport ship Progress-5 was separated from the orbital complex loaded with used equipment from the space station, Tass said.

One of the main tasks of cosmonauts Vladimir Lyakhov and Valery Ryumin, who blasted off from earth on February 25, is thought to be a thorough refurbishment of the 18-month-old station.

to nuclear power if the United States wants to reduce its dependence on Middle East oil.

In Seoul, the South Korean government revealed today that its only nuclear power plant had been out of operation for a week because of a cooling-system problem that caused a leak of radioactive water. They said that the plant, built by the Westinghouse Electric Corp., would be reactivated Thursday.

The nuclear commission ordered a 10-day safety check at seven plants operated by Babcock & Wilcox Co., the Lynchburg, Va., firm that designed the Three Mile Island reactor. The firm has denied responsibility for the accident.

White House officials said that, as a precaution, 1 million doses of a chemical intended to reduce the effects of radiation on human thyroid glands were being sent to the Harrisburg area.

In Parsippany, N.J., about 15 demonstrators, who charged with trespassing after they blocked the entrance to the headquarters of General Public Utilities, the con-

Spain Holds Local Vote

(Continued from Page 1)

4 million inhabitants, to tiny villages with a score of residents who are voting on what is called "an open council."

Listless Campaign

The campaign has been somewhat listless — this is the fifth time in a little more than two years that Spaniards have been summoned to the polls — and the government has consciously attempted to divert it of the drama of the 1931 municipal elections that drove King Alfonso XIII from the throne and inaugurated the Second Republic. Alfonso was the grandfather of King Juan Carlos.

Knowing that his Union of the Democratic Center stood to lose, at least in some of the big cities, Mr. Suarez purposely called parliamentary elections before the municipal races, to prevent the left from using them as a springboard to further victories.

Moreover, the state-run media have given low-key attention to the campaign and, unlike past elections, the government has established no press center to chronicle and highlight the results.

Even so, the arrival of elective democracy at the lowest levels of the Castile plain, the neglected towns of northwestern Galicia — should go some way toward expunging vestiges of Francoism and what Spaniards call *caciquismo*, or bossism.

By involving citizens in their immediate affairs, the elections may also arrest a "disenchantment" with democracy that has become fashionable.

Greece Raises Oil Price, Plans To Ration Fuels

ATHENS, April 3 (UPI) — Greece today announced higher oil prices and a series of energy-saving measures, including plans to ration gasoline and heating oil and restrictions on weekend motoring.

The Ministry of Economic Coordination said that heating oil will be rationed from Oct. 1 and that plans were being prepared to ration gasoline.

The government also intends to ban the use of half of the nation's private cars on alternate weekends and order neon signs switched off at 10 p.m.

Extra gasoline will go up 17.8 percent to \$3.24 a gallon, and regular will rise 16.4 percent to \$2.83 a gallon. Diesel oil will increase by 16 percent. The government also raised the prices of other fuels by 10 to 16 percent.

French Mirage-3 Crashes

BASTIA, Corsica, April 3 (UPI) — A French Air Force Mirage-3 jet crashed early today in the 6,000-foot-high Col de Vergio mountain during a training flight and the pilot was missing, military authorities said.

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Saudi Position Is Main Concern

U.S. Calls Arab View 'Unhelpful'

By Bernard Gwertzman

WASHINGTON, April 3 (NYT)

The United States said yesterday that the decisions by Saudi Arabia and 18 other Arab states to impose an economic boycott against Egypt and to withdraw their ambassadors from Cairo were "negative and unhelpful."

But the administration's initial response to the Baghdad conference that ended Saturday was tempered by uncertainty on how far Saudi Arabia and the others would actually go in punishing Egypt for signing the peace treaty with Israel last week.

Hodding Carter 3d, the State Department spokesman, speaking for the administration, said that in coming weeks the United States would take "careful soundings" of the Saudis and others to find out the impact of their decisions.

For instance, it was not immediately clear whether Saudi Arabia would go ahead with its commitment to finance the purchase by Egypt of 50 F-16 aircraft from the United States for about \$500 million.

Reaction of Congress

The administration's main concern is that Saudi Arabia's participation in what seemed to be severe castigation of Egypt for signing the U.S.-sponsored peace treaty might provoke strong anti-Saudi moves in Congress.

The focus was on Saudi Arabia because it is the largest oil exporter to the West and its conservative monarch enjoys considerable respect in the Islamic world.

Moreover, the Saudis have had a long history of close relations with the United States, which have been subject to tensions in the last six months fostered by the Camp David accord and the Saudi feeling that the United States did not do enough to forestall the fall of Shah Mohammed Reza Pahlavi in Iran.

Sen. Frank Church, D-Idaho, chairman of the Senate Foreign Relations Committee, has already threatened to take steps to stop the sale of F-16 jets to Saudi Arabia if it did not back the peace moves.

The administration, however, still believes that Saudi Arabia is trying to play a constructive role in the Arab world. The officials said that the Saudis, by keeping oil production at nearly 10 million barrels a day after Iran had stopped exporting oil, were making sacrifices to benefit the West.

Economic Aid to Egypt

Moreover, reporters were told that the administration did not expect the Saudis to try to undermine President Anwar Sadat of Egypt. It is the administration's understanding that the Saudis would not.

Deregulation of Oil Prices Linked to U.S. Tax Scheme

(Continued from Page 1)

led by the anti-inflation fighters and the policy staff, favoring small price increases.

At the White House yesterday, the president's press secretary, Jody Powell, said that Mr. Carter had reached decisions on all major aspects of the new energy policy, but added that he did not yet know exactly when and how the president would make his announcement.

According to administration officials, the new plan would work as follows:

The Department of Energy would begin raising the price of the lowest priced U.S. oil, by changing its category from "old oil," under which it can be sold for only \$3.85 per barrel, to "upper tier oil" which costs about \$12.85 a barrel. The transfer would be made at a uniform rate designed to raise the price of all old oil by Sept. 30, 1981.

To prevent excessive windfall profits to the producers, the government would tax away half of the price increase on about three-quarters of the oil. The other quarter would not be taxed, since that amount of oil normally switches categories of its own accord as new oilfields replace old ones. However, the new taxes must be approved by Congress.

Meanwhile, the Energy Department would begin letting the maximum price of upper-tier oil to rise, bringing it to about \$15.50 per barrel, plus intervening inflation, by Sept. 30, 1981. Half of the increase needed to close this gap would be taxed, although increases to keep up inflation would not be.

In addition, the administration plans another tax, to be known as an "OPEC tax," which would be applied to any OPEC increases beyond the rate of inflation. For upper-tier oil, the tax would begin on Sept. 30, 1981. For certain categories of oil not now price-controlled, such as oil from marginal wells, the tax would be imposed on increases above present levels.

That tax would be between 50 and 75 percent. The purpose of the OPEC tax, administration officials explained, would be to prevent the oil companies from taking undue profits from future OPEC increases above inflation.

The result would be that all oil produced in the United States, as of Sept. 30, 1981, would be sold at world levels, with part of the revenue going to the U.S. Treasury through taxes.

Administration officials said that the plan would not contain a "rollback" provision, by which the oil companies could avoid all or part of the tax by reinvesting profits in oil development. They noted

that Saudi economic aid to Egypt was only about \$200 million last year, considerably less than published figures of as much as \$2 billion. The United States last year supplied \$1 billion to Egypt.

Hodding Carter said that the steps taken at the summit talks at Camp David last September, and in the peace treaty, were part of a process of bringing "real and lasting peace to the Middle East."

He said that "no one else had proposed anything that has any real prospect of working. The deci-

sions made at Baghdad are negative and unhelpful. We are studying them and, until we have finished the study, we don't want to make a more specific comment."

The United States, he said, cannot accept "a policy that is purely critical, and doesn't propose a constructive solution."

"We recognize the strong feelings of those who took part in the Baghdad conference," he said. "We are going to undertake careful soundings before we reach any definitive decisions on our actions."

Sadat and Begin Advance Opening of Sinai Border

(Continued from Page 1)

seems to mark a concession by Mr. Sadat, who had once insisted that each step toward normalization of relations be synchronized with progress toward the creation of a Palestinian self-government in the West Bank and Gaza Strip.

The annex to the peace treaty calls for the border to be opened upon the completion of Israel's interim withdrawal from the Sinai and for negotiations on a civil aviation agreement to start six months later. This first half of the Israeli troop pullout, from a line running east of El Arish down to the Sinai's southern tip, is to be completed nine months after the treaty is ratified.

Special Significance

In return, Mr. Begin evidently agreed to speed Israel's withdrawal from El Arish, which has been occupied since the 1967 Six-Day War. As the Sinai's provincial capital, the town has special political and psychological significance for Egyptians, and Mr. Sadat has promised to mark its reversion with festivities.

Israel Army, PLO Differ on Report Of Ship Fighting

TEL AVIV, April 3 (AP) — Israel said yesterday that it recently captured a Palestinian guerrilla ship without a fight, but the Palestinians said that there had been a "heroic" three-hour battle in which seven Israelis were killed or wounded.

The Israeli Army said that the 500-ton Cyprus-registered Stefanie was preparing a terrorist raid in Israel when it was captured. The communiqué said that the ship belonged to the Palestine Liberation Organization. Six guerrillas and five crewmen were taken into custody without a fight, the Israeli Army said.

In Beirut, a spokesman for PLO leader Yasser Arafat yesterday disputed the Israeli version, claiming that the ship had been hit by Israeli fire after a three-hour battle in which seven Israelis were either killed or wounded and the Israeli vessel was set on fire.

The spokesman said that six PLO guerrillas were aboard the ship when it set sail last Wednesday "toward Israel... to strike at Zionist targets."

Australians, Russians To Renew Culture Ties

CANBERRA, Australia, April 3 (Reuters) — Australia has agreed to resume its scientific and cultural exchanges with the Soviet Union, which were broken off last June after listening devices were found in the Australian Embassy in Moscow, it was announced today.

A cultural agreement was signed last week in Moscow, and scientific exchanges were expected to begin after a meeting next month of Australian and Soviet officials, a Foreign Ministry spokesman said.

Claim Capital Will Fall Soon

NAIROBI, April 3 (AP) — A coalition of exiles who hope to install President Idi Amin in the battle for Uganda today appointed its first administrators for areas liberated from Mr. Amin's government.

From the Tanzanian capital, Dar es Salaam, the Uganda National Liberation Front sent district commissioners to take charge of several key centers in western and southwestern Uganda under the control of Tanzanian and exiled Ugandan invaders.

A spokesman for the front predicted that Kampala, the capital, would fall within two days.

Unscathed by a surprise Tanzanian air attack yesterday on his hideout at Uganda's second largest city, Jinja, Marshal Amin toured the eastern edge of his beleaguered country in a convoy of Mercedes-Benz sedans, Ugandan exiles reported.

Invaders Denounced

Citing contacts inside Uganda, the exiles said that Marshal Amin left Jinja yesterday after the Tanzanian raid and drove to Busia in the southeastern corner of the country, where he reportedly addressed a public meeting before driving north toward the border towns of Tororo and Mbale.

In his address, Marshal Amin reportedly issued a fierce denunciation of the Tanzanian invaders that was later broadcast on Uganda Radio. Accusing the Tanzanians of atrocities ranging from bombing mosques to raping nuns, he ac-

Under the detailed appendix to Annex I of the treaty, Israel was to hand over El Arish as a first step two months after ratification. The Israelis are advancing its return two weeks by dating the period from the signing of the peace treaty.

Despite Mr. Begin's assertion, it was not clear exactly when the movement would be permitted across the common border. His press spokesman, Dan Patir, said later that a fair assumption was that the opening would follow the May 27 summit meeting. There was also confusion over how this would work, since the peace treaty does not obligate Israel to complete its withdrawal from the Sinai for three years.

One possibility mentioned by Western diplomatic observers was that Egyptian immigration and customs procedures would take place at El Arish and that passage would be allowed under Israeli military supervision through the 30 miles of remaining territory to Israel's pre-1967 frontier at the edge of the Gaza Strip.

Israeli officials expected the details to be resolved at the summit meeting in Jerusalem.

Today's announcement was bound to draw further criticism from Arab opponents of the treaty, who have decided to break off trade and diplomatic relations with Egypt.

Angola Accuses S. Africans of Attacking Town

JOHANNESBURG, South Africa, April 3 (AP) — Angola said today that South African troops have again attacked its territory, destroying a village and causing some casualties among its troops.

The South African Broadcasting Corp. reported that a South African defense force spokesman denied such an attack.

In a communiqué issued by the Angolan Defense Ministry and broadcast by Angola radio, Defense Minister Henrique Carreira accused "South African racist troops" of destroying the village of Xamavara, near the southeastern border.

The communiqué said that the South Africans, who are garrisoned on the other side of the border in the South Africa-administered territory of South-West Africa, had suffered casualties in previous attacks in southwestern Angola.

It said the South Africans were aided by UNITA, a pro-West guerrilla organization which operates inside Angola against the Marxist government.

Tank Sinks; 2 GIs Die

BREMENHAVEN, West Germany, April 3 (Reuters) — Two U.S. soldiers were drowned yesterday when a 50-ton tank they were in fell into the harbor. A ramp broke while the tank was being unloaded from a ship.

Marshal Amin made a public appearance yesterday in Jinja after the Tanzanian air attack, ordered frightened workers back to their jobs and claimed one of the two raiding planes was shot down.

The Ugandan strongman in a radio broadcast last night also claimed the MIG-21 jets that Tanzania received from the Soviet Union or China were U.S.-made aircraft flown by "Israelis and their agents."

Residents of Jinja reported that two Tanzanian MIGs dropped three bombs beside the Libyan Arab-Uganda Bank, wounding 15 persons but doing little other damage.

The sources, who were reached by telephone, said that townspeople were startled when Marshal Amin, who had not been seen in public for some days, arrived at an open-air bus terminal and told frightened employees to get back to work.

Tanzania has not acknowledged the Jinja raid or a Sunday strike by its MIGs that blasted holes in the main runway of Uganda's international airport at Entebbe.

Kampala is reported quiet again and almost deserted after a Tanzanian artillery barrage early yesterday hit the industrial area on the eastern side of the city and set diesel fuel storage tanks afire. Diplomats and other residents of the city said the fire was put out by noon.

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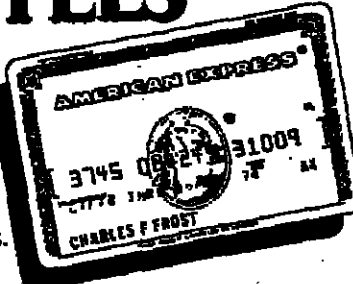
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JANUARY 1979

Carter Seeks to Strengthen U.S. Protection of Privacy

By Martin Tolchin

WASHINGTON, April 3 (NYT) — President Carter asked Congress yesterday for legislation to protect Americans from computer-age threats to privacy that he said were "undreamed of 200 years ago."

As part of his legislation, the president reversed his original position and sought legislation to reverse the Supreme Court decision in the Stanford Daily case, which upheld the constitutionality of police searches of newspaper offices. He said that the decision "poses dangers to the effective functioning of our free press."

Vice President Mondale told a White House briefing that "personal information about millions of Americans is being flashed across the nation from computer to computer."

To counter the loss of privacy, Mr. Mondale said, the administration had formulated, for the first time in history, "a comprehensive national policy to protect the privacy of Americans."

Cautious Approval

Civil rights leaders gave cautious approval to the legislation, which seeks to restrict medical and financial records, as well as personal information from U.S.-financed research. The president also opposed a proposal to allow officials below the rank of assistant attorney general to apply to the courts for wiretaps, and proposed limits to the use of polygraphs, or lie detectors, by employers.

The president's reversal of the administration's original position in Zurcher vs. Stanford Daily in-

volved a case in which police searched the Stanford University student newspaper offices in Palo Alto, Calif., for photographs of a student demonstration in which several police officers were injured. The police had obtained a search warrant to inspect the Stanford Daily newsroom.

U.S. Court Backs Right to Form Medical Residents Labor Unions

WASHINGTON, April 3 (WP) — In a decision that hospital administrators contend could result in higher hospital bills, the U.S. Court of Appeals here ruled yesterday that medical residents have a right under U.S. law to form labor unions.

The 2-to-1 decision, in effect reversing a ruling by the National Labor Relations Board in 1976, paves the way for residents in private, nonprofit hospitals to form unions and bargain collectively with hospitals for wages, hours and other working conditions.

Although the Physicians National House Staff Association, the national representative for medical residents, has denied that pay is its primary concern, hospital administrators have predicted that a union for residents will result in demands for higher wages and, therefore, higher hospital bills.

Congress enacted legislation in 1974, permitting private, nonprofit hospital employees to organize unions under the National Labor Relations Act. Despite language in committee reports and in Senate debate on the bill making clear the

The administration had filed a friend-of-the-court brief supporting the position that the First Amendment did not ban police searches for the notes of reporters, film and interview files, even when the newsmen themselves were not suspected of any wrongdoing.

The proposed legislation would

ban such searches and seizures of the work of newsmen, scholars, novelists and others. Exceptions would be made only in those cases in which the person holding the material was suspected of having committed a crime, or in situations where life was in danger, involving documents such as ransom notes.

Civil Penalties

The proposed bill would delineate a civil right of privacy and civil penalties, such as punitive damages, but does not contemplate criminal penalties.

In proposing limited access to medical and financial records, Mr. Carter told Congress that he was basing his policy on two principles involving fair information practices and limits on the government.

He said that individuals should be told what kind of information is being collected about them, how it would be used and to whom it would be disclosed. They should be able to see and obtain a copy of the records and correct any errors. They should be told the basis for an adverse decision that may be based on personal data, and should be able to prevent improper access to the records.

The Privacy of Medical Information Act would allow individuals to participate in decisions to disclose their medical records, with some limited exceptions for emergency uses. Government access to those records would be limited and individuals would have the right to see their own records.

The Privacy of Research Records Act, which would protect subjects of medical research except in some cases involving an emergency.

Boston Lights Go Out Again

BOSTON, April 3 (UPI) — The second blackout within 24 hours struck central Boston last night, leaving about 12,000 persons without electricity for more than five hours.

The outage in the city's Back Bay area was triggered by a series of underground electrical explosions and fires, which also preceded a blackout in the same area Sunday night, affecting 100,000 residents.

The Boston Edison Co. shut off power in the area to keep the "system overload" from spreading.



SPEED CHECK — A policeman monitors speed of motorboat on Venice's Grand Canal. Waves from boats erode buildings, adding to the city's problems of pollution and sinking land.

Carter-Campaign Audit Shows Minor Errors

By Fred Barbash

WASHINGTON, April 3 (WP) — Federal Election Commission audit of President Carter's 1976 campaign finances has found no significant violations of federal election laws, it was revealed yesterday.

The Jimmy Carter Committee asked to repay a total of about \$100 for two minor infractions noted by the auditors. One involved the improper use of personal bank accounts by several campaign workers as depositories for campaign funds.

The other violation concerned 21 inadequately documented campaign expenditures.

The auditors found greater problems in the committee's reporting of the money that it dispensed and the country for such things as "get-out-the-vote" efforts on primary election days.

Thirty-four payments for this purpose — commonly known as walk-around money — were said to have been insufficiently disclosed. The commission determined, however, that these and other potential violations occurred before the commission had issued guidelines in 1976 for the reporting of these expenditures.

Bank Loans Not Probed

The audit did not deal with recent suggestions, currently being investigated by the Justice Department, that bank loans intended for the Carter family peanut business found their way into the campaign.

In addition, the audit covered only the primary campaign. A similar audit of the general election is under way.

The release yesterday of the primary audit was made nearly three years after the campaign closed with Mr. Carter's nomination. The delay has subjected the commission

to public criticism, in part because it finished the audit of Gerald Ford's campaign more than a year ago.

The commission is required to conduct audits of the presidential campaigns to determine whether the millions of dollars in federal matching funds dispensed are properly spent.

The auditors do not examine every expenditure, but use a sampling technique whereby they request documentation from the committee when it is not provided sufficiently on public spending reports. There was no indication in the backup documents that FEC auditors attempt to verify the authenticity of the documentation.

For example, one supporting document from a recipient of election-day money simply states that \$25 was paid to "20 kids for distribution of palm card and literature."

While Appeal Is Being Heard

Court Refuses to Stay Bhutto Hanging

From Wire Dispatches

ISLAMABAD, Pakistan, April 3 — An Islamic court today refused to stay the hanging of Zulfikar Ali Bhutto while it hears an appeal filed on the nation's new religious constitution.

Meanwhile, the government of Mr. Bhutto's home province, announced that security agents had raided three of his homes and recovered secret documents that it said were to have been smuggled out of Pakistan.

Foreign diplomats said the documents could be used by the government to delay a decision on the sentence while new charges were brought against Mr. Bhutto. A government press note said the documents had been carried out last night and that "secret documents of an extremely sensitive nature relating to state security, including defense and foreign affairs, were recovered."

Lawyers for the former prime minister said that they hold no hope for the success of any further challenges.

Request Withdrawn

The Shariat Court asked the attorney who filed the appeal in Islamic law, Mohammad Shafi Hamid, to withdraw his request for a stay of execution. Mr. Hamid complied and immediately filed an amended application.

No date was set for the hearing, according to the Pakistan news agency.

It was not clear what, if any, effect a ruling by the court, which hears religious law cases, could have on Mr. Bhutto's fate since Muslim law now applies only to civil cases in Pakistan.

The bench pointed out that the Islamic laws applying to murder have not yet been instituted in the constitution.

The court said the decision whether to grant clemency to Mr. Bhutto will still have to be based on the current constitutional laws, which give the president the sole power to pardon or commute a death sentence.

President Mohammed Zia ul-Haq, who toppled Mr. Bhutto in a military coup in 1977, has given no indication what his decision will be.

All the appeals to overturn Mr. Bhutto's conviction for conspiracy to murder a political opponent, including challenges to the constitutionality of Pakistan's martial law, have been dismissed by various courts.

Testimony of Officers

Mr. Bhutto's conviction was largely based on the testimony of two security officers who were charged with him in the case. The officers turned state's witness and were pardoned for their alleged part in the assassination attempt on Ahmad Raza Kasuri, which backfired and resulted in the death of Mr. Ahmad's father Nov. 11, 1974. Under Islamic law, the testimony of those accused in the crime may not be admitted and only a man who actually carries out a murder can be sentenced to death.

In Rawalpindi, Mr. Bhutto had a long, tearful meeting with his wife and eldest daughter today in his cell. Family friends said that Benazir Bhutto and her daughter, Benazir, were told that the meeting would be their last.

But an aide to Gen. Zia said it was premature to say that the president has made his decision or that Mr. Bhutto is meeting his relatives for the last time.

It was said earlier that Mr. Bhutto would be informed of his execution 48 hours before it is to be carried out and that his relatives would be able to see him then.

Kreps Holding Talks In Morocco on Trade

CASABLANCA, Morocco, April 3 (UPI) — U.S. Secretary of Commerce Juanita Kreps arrived today for talks on the trade imbalance between Morocco and United States.

U.S. exports reached \$110 million, mainly in capital goods, last year while U.S. imports of Moroccan goods amounted to only \$22 million.



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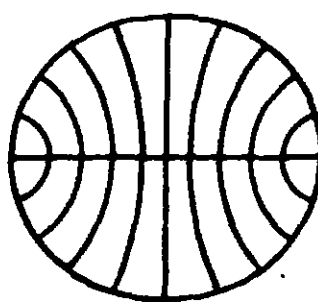
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The suppliers approved by the STEG may withdraw their file as of April 2, 1979, against payment of one hundred (100) Tunisian Dinars, or by bank transfer of their equivalent in foreign currency.

- The deadline for withdrawing these files is set for April 27, 1979.
- An information seminar will be organized for these suppliers in the first week of May 1979.
- Offers should reach the above address no later than June 28, 1979, 4 p.m.

Autonomists, Hardliners Compromise

Rome Communist Congress Ends in Uneasy Agreement

By Paul Hofmann

ROME, April 3 (NYT) — The Italian Communist Party, the strongest Marxist force in the West, ended a national congress today with an uneasy compromise between a pro-Soviet wing that seems likely to have advanced in the rank and file and a well-entrenched leadership group that is stressing a measure of autonomy from Moscow.

Diplomats specializing in left-wing movements who followed the five-day convention in the Sports Palace on Rome's southern outskirts said that the Italian Communist Party had appeared much more flexible than the French Communist Party, in which a hard line has prevailed lately.

But no real showdown between Italian hardliners and autonomists, also known as Eurocommunists, occurred at the congress, partly because it was overshadowed by the prospect of early parliamentary elections.

Even before President Sandro Pertini yesterday disbanded the legislature, more than two years before the end of its constitutional term, the Communist Party, like all major political groups, had virtually opened its electoral campaign.

Party Unity

Under the circumstances, the emphasis at the Communist congress was on party unity. The mood of the party and the divisions in the rank and file could be gauged from the varying strength of the applause that the 1,500 delegates and 8,000 other Communists gave the handpicked orators. Observers agreed that speeches stressing hard-line militancy brought out an enthusiastic response from a surprisingly large sector of the audience.

Enrico Berlinguer, who has been the party's secretary-general for seven years, had no trouble being reconfirmed in his post. In his address Friday and again in his concluding remarks today, he attempted to reconcile the divergent currents in Italian Communism.

Speaking today about his party's ties with Moscow, Mr. Berlinguer said, "It is absurd to request us to renounce the roots that link us to the [Soviet] October revolution, to the thought and achievements of Lenin." The Communist leader also reiterated his long-standing demand that his party become a full-fledged partner in any future government.

Mr. Berlinguer precipitated a government crisis, and in effect brought about yesterday's dissolution of the Parliament, by with-

drawing Communist support from Premier Giulio Andreotti's Cabinet early this year. The Communist leader contended that Italy's problems were so serious and the Andreotti administration so ineffectual that only his party's direct participation in government could improve the situation.

Political Impasse

Mr. Andreotti refused to assign Cabinet posts to the Communists. A political impasse followed and led to the premature disbanding of the legislature.

Many Italian commentators said today that Mr. Berlinguer's decision to take his party into the opposition had been a tactical move to appease hard-line Communists and win the support of young radical leftists, but that after the election he might be willing to renew the collaboration with Mr. Andreotti's Christian Democrats.

The cooperation between the Christian Democrats and the Communists, Italy's first and second parties, is known as the "historical compromise," a phrase coined long ago by Mr. Berlinguer. At the congress that ended today, the term was not often used by the secretary-general or by other speakers.

During the debate Saturday, a leader of the pro-Moscow wing, Armando Cossutta, was cheered when he called for "fraternal" ties with the Soviet Union and its allies. A moderate, Emanuele Macaluso, said Sunday that "emphatic professions of fraternal relations" with the Soviet bloc were not helpful and that Italian Communists must strengthen their autonomy in international affairs.

Pietro Ingrao, who was once considered a left-wing rival of Mr. Berlinguer in the party leadership, remarked yesterday that the Italian Communists who had learned from the Soviet revolution might learn also from social-democratic developments. He apparently was alluding to the British, West German and Scandinavian models.

Manchester Airport Shut in Pay Dispute

MANCHESTER, England, April 3 (Reuters) — The Manchester airport was closed today because of the suspension of 76 firemen, and international and domestic flights were diverted to other airports.

The airport is Britain's third largest and serves Europe, Canada and the United States. The firemen were suspended for refusing to call off a work slowdown in support of their pay demands.



BREATH OF LIFE — A series of huge painted profiles gives a sort of human aspect to the plain side walls of concrete apartment houses in central Zurich. A more curious notion of amusement comes from the artificial octopus lying in the sand of the children's playground.

EEC Proposes Talks With OPEC

By Murray Seeger

BRUSSELS, April 3 — The European Economic Community is attempting to ease the oil crisis and bolster U.S. efforts to bring peace to the Middle East by initiating a political and economic dialogue with the Organization of Petroleum Exporting Countries.

"We think this can be Europe's contribution to Middle East peace," said Guido Brunner, Common Market commissioner of energy matters, said.

Mr. Brunner has met with OPEC's policy committee and with leaders of the smaller Organization of Arab Petroleum Exporting Countries, which dominates OPEC, to foster closer cooperation between oil producers and consumers.

"We don't have any immediate political influence in the area, but we think in the long term we could be helpful," he said. "We think we should remove some of the mystery around OPEC."

Expansion Seen

Preliminary efforts to improve communications with the oil producers were approved by the energy ministers of the nine EEC countries at a recent meeting in Brussels.

"We have confirmed that it is highly desirable to set up international negotiations," agreed French Energy Minister Andre Giraud, current chairman of the Common Market committee.

Mr. Brunner explained that the

aim of the dialogue would be to create a permanent cooperative body made up of OPEC and EEC representatives. Eventually, the committee would be expanded to also include representatives from the United States, Japan and the Group of 77 major developing countries (which was set up within the UN, and now has 104 members), and would meet every three months to exchange economic information.

"We want to give the oil producers the feeling that they are partners with us in the world economy," the commissioner said.

No Continuing Contacts

The oil producers would be encouraged to increase their investments in Europe. Many OPEC members believe that they should seek control of refineries in Europe, some of the biggest oil profits come from processing crude into finished products.

"We would tell them they are welcome," Mr. Brunner said.

Before the recent OPEC meeting in Geneva, at which prices were suddenly raised 9 percent and members were authorized to tack surcharges on oil, U.S. and other officials confessed that they had no continuing contacts with the powerful oil cartel.

The International Energy Agency, which was organized by the major non-Communist industrial countries in the wake of the 1973 Arab oil embargo and the first dra-

matic OPEC price rises, has also had no official contacts.

The Common Market believes that a shortage of oil is likely in the immediate future. "This is not just a price crisis but also a question of supply," an official said.

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Many Scots See Nation Coming Into Its Own

By William Tuohy

EDINBURGH — Golf was developed in Scotland and the game can tell you something about the Scottish national character.

"An American golf pro will complain that he hit a great shot down a Scottish fairway, but it took a bad bounce and went into the rough," said Iain Crawford, an official with the Edinburgh Festival. "In America, you're not supposed to get bad bounces on the fairway. But on a Scottish golf course, bad bounces are all part of the game."

"We expect those, along with lousy winds and weather. That's what the game is all about. And I suppose you could say that's what the Scots are all about."

For centuries, the Scots have expected the bad bounce, often, historically, at the hands of the English.

But today a new mood prevails in Scotland. The 5 million Scots whose homeland forms the northern region of Britain believe that Scotland, at long last, is again coming into its own.

Obituaries

U.S. Filmmaker Gordon Parks Jr., 44

NAIROBI, April 3 (AP) — U.S. filmmaker Gordon Parks Jr., 44, the director of "Superfly" and "Three the Hard Way," was killed today with three other men when their small plane crashed as it was taking off on the outskirts of Nairobi, a spokesman for Mr. Parks' film company announced.

Jim Richardson, Mr. Parks' assistant, said that the others killed were Peter Gilliland, 38, a Kenyan photographer; Miles Burton, a wildlife-camp operator and former professional hunter, and the pilot, whose name was not immediately available.

Mr. Parks, of New York City, arrived in Kenya nearly three months ago and set up a local film company, African International Productions. Mr. Richardson said.

The four men were on their way to a camp near the Tanzanian border for shooting on "Revenge," a low-budget adventure film that was the first production of Mr. Parks' new company.

Mr. Parks was the grandson of Gordon Alexander Parks, a black photographer, film director, author and composer, and the son of Gordon Roger Parks.

He got his start in the movies as a cameraman for the films "Africa" and "The World of Piri Thomas" in 1969. "The Learning Tree" in 1969, which his grandfather wrote, produced and directed, and "Godfather I" in 1971.

He was also a freelance photographer for Look, Life and Time magazines.

He made his debut as a director in 1972 with the successful "Superfly."

Ben-Holt

PARIS, April 3 (NYT) — Ben Holt, 60, an American public-rela-

tions expert here for many years, died yesterday in Nice from injuries received in a road accident a week ago.

After serving in the Navy during World War II, Mr. Holt went to Latin America, first as a journalist in Buenos Aires, then joining Panagra, a public-relations venture of Pan American Airways and the Grace Line, in Lima. Panam transferred him to Paris in 1954, in charge of public relations for France and the Benelux countries.

In the mid-1970s, he founded his own public-relations firm, Atlantic Associates.

Carroll Rosenbloom

GOLDEN BEACH, Fla., April 3 (AP) — Carroll Rosenbloom, 72, the owner of professional football's Los Angeles Rams, was dragged out to sea yesterday by a heavy undertow and drowned.

Mr. Rosenbloom, who had been vacationing in this Miami-area resort city, was one of the National Football League's most controversial team owners. Known as a fierce competitor, he owned the Baltimore Colts from 1953 until early in 1972, when he traded the team for the Rams.

The Colts had the league's best overall record from 1958 to 1971, and won the Super Bowl during his final season as owner. The Rams won six consecutive division titles, but failed each time to survive the playoffs — a source of great disappointment for Mr. Rosenbloom.

"Carroll Rosenbloom played a major role in the growth and success of the National Football League, both through the performance of the teams he produced and through his active participation in the league's decision-making

Martens Increases Number of Ministers

Belgian Cabinet Quickly Filled

By Murray Seeger

BRUSSELS, April 3 — Belgium's new premier quickly filled the 24 seats of the country's new Cabinet today and the new government was sworn into office by King Baudouin.

In addition to the full ministers, Premier Wilfried Martens also named eight secretaries of state necessary to administer dual programs in the country's two distinct language districts, Dutch-speaking Flanders in the north and French-speaking Wallonia in the south. The long-running differences between the language groups were the cause for the fall last October of the previous six-party coalition government headed by former Premier Leo Tindemans and the protracted negotiations over the formation of a new government.

Because he was blamed for forcing the latest of Belgium's frequent government crises, and a national election last December which did nothing to resolve the country's splintered political structure, Mr. Tindemans was not called upon to form a new government. The new premier, who is 42 and a lawyer, has been a rival of the former premier for leadership of the Flemish Socialist Christian Party.

Mr. Martens is from Ghent and has never held national political office. In forming the Cabinet, the premier increased the number of seats from 21 to 24 and shared the



Wilfried Martens

appointments among five parties instead of the six in the former government. The participating parties are the French and Dutch-speaking Socialist Christians and the Socialists and the Brussels-based Front of French-Speakers.

Refused to Join

The Flemish United People's Party refused to join the new government because of its protest against proposals to give the Brussels region, which is officially bilingual, equal autonomy with Flanders and Wallonia.

Most of the new government

ministers held the same seats in the previous government. Paul Van Boeynants, who successfully negotiated the basis for the new government on appointment by the king, returns to his place as defense minister. He is a leader of the Wallonian Social Christians and will be a deputy premier. The deputy premier will be a Flemish Socialist, Guy Verhofstadt, a Wallonian Socialist, moved from minister of labor minister of the budget.

Henri Simonet, the best known leader of the Brussels French-speaking Socialists, resigned post as foreign minister. The government is expected to concentrate on reducing Belgium's persistent high unemployment and the high growth rate but will be faced with new demands for resolving the issue of more regional autonomy.

Portugal Parliament Bars Pay-Raise Limit

LISBON, April 3 (Reuters) — Parliament last night rejected an attempt by the government to put a ceiling of 18 percent on salary increases.

The bill was defeated by a combined votes of the Socialist, the Communist, the extreme-left Popular Democratic Union and two independents.

rivalry between Scotland's Highlanders and Lowlanders. Highlanders make up the clans of Scotland. They are looked down on the Lowlanders, being somehow more English.

Historically, it was the Lowlanders — particularly around Glasgow — that fueled the Industrial Revolution in Britain, supplying coal, ships and construction know-how, not only to the United Kingdom but also to the world.

Much of this history developed on the banks of the Clyde River. The Clyde's shipbuilders produced not only the famous British battleships that served in two world wars but also the great Cunard liners. But Glasgow, like many cities that developed during the Industrial Revolution, has suffered a fate: inner-city blight, declining industries and long welfare lines. These problems have spawned an inordinate percentage of unemployment and crime.

If Glasgow is Scotland's Pittsburgh, Edinburgh is Scotland's Boston, a delightful hands town in the eastern Lowlands center of banking, finance, in and the resulting legal tradition.

With cities like Edinburgh, Scotland has enormous appeal, not for tourists but for its own people. "All Scotland needs is the economic viability," Prof. Rich Rose, a Strathclyde University said. "It has most everything else."

© Los Angeles Times

U.S. Army Seeks Enlistments in Ready Reserve

WASHINGTON, April 3 (U) — The Army has announced a program to see if it can get more men to enlist directly into its depleted standby pool of reservists to be used as wartime replacements regular units.

Known as the Individual Ready Reserve, the replacement pool about 500,000 short because volunteer enlistees do not have to stay in the ranks when they leave the Army.

The Army said yesterday that between now and Sept. 30, it will in 4 of its 57 recruiting districts sign up 1,500 young men in combat, infantry, engineer, artillery and other specialties in the Ready Reserve. The four districts are Omaha, Neb.; Portland, O.; Houston and Raleigh, N.C.

Ready Reserve enlistees would spend 12 to 16 weeks on active duty for basic training and then be subject to emergency call-up for years. They would not have to tend regular Reserve meetings, would be subject to refresher training of about two weeks in the 18 and 19th years. The only pay they would receive would be for the actual time spent on active duty.

The Army chief of staff, G. Bernard Rogers, has advocated immediate draft of 75,000 100,000 young men a year to fill Ready Reserve shortage. But Army Secretary Clifford Alexander I continued to maintain that no draft of any kind is needed just now.

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JANIS LITZ

Films in Paris

Jazz Singer: Talkies Re-Born

By Thomas Quinn Curtiss

PARIS, April 3 (IHT) — The 50th anniversary of the talkies is being celebrated in France with a revival of the first feature film to contain spoken dialogue and lyrics: "The Jazz Singer" with Al Jolson as its star (at Action-Christine in English).

The Vitaphone, the initial device of the talkie, was arched with nervous misgivings when it was original-ly exposed to the public. In the authoritative opinion of arctic Chaplin, King Vidor and other movie magnifi-cants it was only a passing fad. The Warner brothers, however, introduced it cautiously with a series of shorts in 1926 together with a full-length film accompanied with a synchronized score. In October, 1927, "The Jazz Singer" opened on Broadway, but it only reached France two years later, by which time most American cinemas had been wired for sound and the shooting of silent films had been discontinued.

Creating a revolution in technique and a box-office success, "The Jazz Singer" was not listed among the better films of its year. It had several formidable rivals: "The Seventh Heaven," with its Hollywood reproduction of Parisian slums; Von Sternberg's "Underworld," the story of the gangster films; Rex Ingram's "Garden of Eden," shot in North Africa and filled with exotic tones; and Fritz Lang's fantasy of the future, "Metropolis." In the history of cinematic art "The Jazz Singer" holds no high place, but its innovations were alter motion picture production.

Hybrid Form

As an experiment it remains of considerable interest. Usually it is a silent film punctuated with talking sequences so that one has a glimpse of both forms. It derived from a Samson Raphaelson play and recounts the tribulations of a boy of New York's Lower East Side in the ragtime era who longs to be a song-and-dance man. He meets stern objection from his father, a pious cantor, who wants his son to follow in his footsteps, and the tug-of-war between the call of stage and family ties constitutes the dramatic conflict, often of violent emotional voltage.

The film, despite its growing cargo of corn and overwhelming sentimentality, is of remarkable professional competence. Jolson, the American theater's favorite minstrel, making his screen debut, inaugurated a career for himself. A dynamic personality, an actor and a superb clown, he delivers some of the famous numbers over the Vitaphone, and in the dialogue scene chats affectionately with his old mother, charmingly portrayed by Eugenie Besserer.

Warner Oland who impersonates his bewhiskered father was one of the cinema's reliable characters. Coming to New York from his native Stockholm, he introduced Strindberg to the U.S. stage and, having broken in the process, took employment as a lawyer in the Pearl White serials. He is probably best remembered for his oriental roles — as the misadventurous Manchu and the jolly Charlie Chan — but all his performances were of high grade. As a Chinese villain he resembled less a Chinese than a piece of Chinese scenery.

Alan Crosland, who directed, has yet to be rediscovered by the movie archaeologists on their retrospective excursions. They might study his expertise to fruit-ends, as might practicing cineastes. Crosland was not, as many present-day directors are used to advertise themselves, "an author." He was a director and functioned as such. Taking what scripts he saw his way, he staged them with striking efficiency. His versatility is evidenced by his success with widely contrasting material. He knew how to tell — or retell a story on the screen. He wrote the novel of the Riviera, "Fanny Hill," the John Barrymore costume dramas, "Manon Lescaut" and "General Crack."

Zoe Akins' modern society drama, "The Furies," Westerns and spyionage chases — he engineered them all smoothly. He extracted their screen possibilities and transformed them into vivid motion pictures. His method is to be observed in practice in his shrewd handling of "The Jazz Singer."

"Brass Target" (at the Elysées Cinema and the Cluzy Ecolles in English) would have us believe that Gen. George Patton did not die of injuries incurred in an auto accident, but was assassinated. Are there serious grounds for such a theory or is it merely the whim of some scenarioist bent on sensationalizing a routine intrigue thriller? As the assassination of President John Kennedy is still a matter of controversy and as historians still differ about factors behind the assassination of Lincoln, we shall probably never know.

A train carrying \$250 million in occupied Germany is waylaid in a tunnel and the U.S. soldiers guarding it are killed by the bandits. Gen. Patton undertakes the investigation and the "brains" behind the operation solicit an expert hired assassin to murder him. George Kennedy is the great general, Max von Sydow is the sinister killer and Sophia Loren, though receiving top billing, makes only fleeting appearances. The supposition proposed is more interesting than the commonplace film.

"La Pina Belle Soiree de Ma Vie" (at the Monte Carlo, the Elysées Lincoln and the Imperial Pathé) is a French film from the Italian director, Ettore Scola. It was shot in 1972, but for reasons unknown it has been withheld from release until now. Its belated arrival is nevertheless welcome for it is a contribution of quality, excellently acted and constantly absorbing. Alas, three of its principal players — Michel Simon, Pierre Brasseur and Claude Dauphin — have died in the interim. Based on a short novel by the Swiss author Friedrich Dürrenmatt, it might be described as an ironic comedy of cosmic justice, reminiscent of both Kafka and Priestley's "An Inspector Calls." A happy-go-lucky Italian businessman (portrayed with exhilarating brio by Alberto Sordi) motoring in the Alps has car trouble and finds himself before an ancient castle. The castle is inhabited by some retired judges and lawyers who occasionally stage a mock trial to recall their active days in the courts. The visitor joins the game, serving as the accused and during the cross-questioning, the hidden facts of his life are brought to disconcerting light. There is admirable harmony to this ensemble performance; Charles Vanel and the aforementioned two weighing the scales on the crimes of their guest. There is a riveting intensity to Scola's mounting of this sardonic, macabre drama.

Of all famous opera libretti probably that of Beethoven's "Fidelio" is the most static. Its wonderful music enchants the ear and distracts one from its stilted stage traffic. The "book" is foreign to all that is cinematic, lacking almost entirely in necessary pictorial values and dramatic movement. Pierre Jourdan in bringing it to the screen (at the Gaumont Champs-Elysees and the Hauteville, sung in German) was inspired by its production at the antique theater of Orange, France, but his film is not a mere photographing of that staging. The company and the orchestra have worked independently for his cameras and he has sought to broaden the enterprise by borrowing footage from Abel Gance's screen epic "Napoleon" as a preface to explain the opera's theme and the period of its composition. Gundula Janowitz is his Leonore and Jon Vickers is Florestan. The recording of the voices is of exceptional clarity, but the typically "Fidelio" still refuses to budge.



May McAvoy and Al Jolson and the birth of sound.

Opera

Zeffirelli's 'Carmen' Is Study in Pitfalls of TV

By Henry Plesants

LONDON, April 3 (IHT) — With a telecast of Franco Zeffirelli's Vienna State Opera production of "Carmen," BBC-TV launched an "opera month" that will offer 32 hours of TV opera in 29 days. Other operas waiting to speak in the can, are "Albert Herring," "Macbeth," "Cosi Fan Tutte," the new Paris "Lulu," "Die Meistersinger," "Khovanshchina" and "La Boheme."

"There could not have been a more appropriate choice than this 'Carmen' to demonstrate, right at the outset, the problems involved in transplanting opera from the large, usually amphitheatrical, opera house to the small television screen. There are pitfalls at every step along the way, and Zeffirelli, here the television director as well as the producer, has blundered into every one of them.

The problems begin in this case not with the telecast Monday, but with the production itself, simply as musical theater. On the billboards it must have looked promising enough: Elena Obraztsova as Carmen, Plácido Domingo as Don Jose, Yuri Mazurok as Escamillo and the young Scottish soprano, Isobel Buchanan, as Micaela, with Carlos Kleiber conducting.

But big names do not make a "Carmen." Obraztsova is a splendid Amneris, Azucena or Eboli, but she is not even a Russian gypsy, still less a Spanish one. Domingo, for all his Spanish blood, never suggests by the wildest flight of fantasy a peasant corporal, gloriously as he sings, even at the cruelly high Vienna pitch. Mazurok's baritone

is too high for Escamillo. Only Buchanan is convincing, and when Micaela, even as excellently as she sings, upstages an all-star cast, there is something wrong with the casting.

That is only the beginning of the mischief; Zeffirelli, as is true of most of his producer contemporaries, tends to overproduce. There is too much activity, most of it not only superfluous, but also tending to divert attention from both music and drama. It is almost as if the producer didn't trust the medium of opera, the composer or the singers. And so he ends by just getting in their way.

Television, as handled here by Zeffirelli, and by just about every other director who has tried his hand with opera, simply magnifies the mischief, in this case compounded by Zeffirelli's appalling sets. There is the obsession with close-ups, the constantly changing camera angles and focus, with the camera forever cutting away from the singer in mid-aria, all working to deprive the opera of its essential nature as something taking place in a theater.

This "Carmen" is actually a telecast of last December's Vienna premiere, but aside from shots of the audience, during intermission, and the occasional — and far too extended — bursts of applause, you would never know it. Throughout the performance the cameras are right on the stage in the middle of things, and that is precisely where, in an opera, they have no business being.

Records

The Written Word a la Guinness

By Art Seidenbaum

LOS ANGELES — The "written word" section in the newest edition of "Guinness" is a glorious footnote within a 704-page go-whizzziness within a publishing industry where almost anything binds.

I bring you these essentials because the "Guinness Book of World Records" (for 1979 (Bantam, \$2.95, paperback) claims itself to be the "fastest selling title" in the universe: 34 million copies have been sold from October, 1955, to May, 1978; in 1973, alone, there were 17 printings. And because it satisfies the needs of barroom bettors, of small-boy superlative seekers, of all people who prefer acmes to complexities, "Guinness" is more for gazing than reading.

The "slowest seller" in the world of letters is supposedly David Wilkins' 18th-century translation of the New Testament from Coptic into Latin, published by Oxford in an edition of 500 copies. "Selling an average of one each 139 days, it was in print for 191 years."

Dorothy Straight is billed as the youngest "commercially published" author. Her book "How the World Began" was written when she was 4 and issued by Pantheon of New York in 1964. But fame fleets; our office copy of "Books in Print" indicates that author Straight, about to turn 21, is no longer available on shelves or at autograph parties.

Best-Sellers

Erle Stanley Gardner, Perry Mason's parent, is the top-selling author of all time: 304 million copies in 23 languages. Gardner died in 1970; his cases continue. Dame Agatha Christie died in 1976, not before writing 87 elegant crime novels; she is the top woman in the field, with some 300 million sales in 103 languages.

"Guinness" lists the highest-paid writer, however, as Mrs. Deborah Schneider of Minneapolis, Minn., at the rate of \$12,000 a word. She completed a sentence in 25 words for a 1958 Plymouth car competi-

N.Y. School to Get Eisenhower Unit

ROCHESTER, N.Y., April 3 (AP) — Eisenhower College, which was threatened with closing in 1974 because of financial problems, will become part of the Rochester Institute of Technology, trustees of both schools announced yesterday.

Eisenhower College, founded in 1965 in Seneca Falls to honor former President Dwight Eisenhower, will become the 10th college of the institute, said Richard Eisenhart, the institute's chairman of the board.

tion. The reward was \$300 a month for life. Using actuarial tables, the Guinness tabulators discovered her annuity; but they couldn't find her eternal words in any anthology.

One William Gold has announced himself as the world's least successful writer after 18 years of typing, eight complete works of supposed general interest and seven novels of intended fictional interest. In 1958 he was published by the Workers Education Association Bulletin of Adelaide, Australia — a 150-word book review for no fee. Finally, in 1974, a Canberra newspaper wrecked his amateur status by paying 50 cents for a piece of Gold.

Norris McWhirter, the "Guinness" editor, depends upon self-proclaimers and daredevils — what some may consider stunted mentalities — for his records. Sometimes magnificent achievers never announce themselves for inclusion. The "most rejections," for instance, for 1979, allegedly belongs to a Gilbert Young of England. His "World Government Crusade" made the rounds of 108 unimpressed publishers from 1958 until the present.

By one of those fortuitous quirks of successful circumstance, Bantam, "Guinness" publisher, enjoys at least two superlatives in its own new edition. One is for "fastest publishing," the 66½ hours be-

tween manuscript delivery and issuance of "The Pope's Journey to the United States — the Historic Record," bound, stacked and delivered in 1965. The other is for having reprinted the best-selling single novel of all time, "Valley of the Dolls," the late Jacqueline Susann's 1966 epic of women on pills.

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Thoughts on A-Energy

The accident at the nuclear energy plant on Three Mile Island in Pennsylvania was critical in itself and came at a critical time. The revolution in Iran, the rise in oil prices set by the Organization of Petroleum Exporting Countries, were dramatizing the global energy crisis. And in many nations the opponents of nuclear energy were dramatizing their resistance to the most available alternative to petroleum. Then the nuclear reactor went wrong, and, complicated apparently by human error, brought days of tension, fear and confusion to a wide area.

That the worst did not, and now probably will not happen, is good in itself, but still leaves a great uncertainty in the public mind about the place of nuclear energy in human society. In this it differs from other, older sources of energy which present their own dangers. Water power was turning mills, breezes powered windmills and propelled ships long before man harnessed steam. Yet streams still flood towns and hurricanes level them.

And then there's fire — one of the oldest, still the most potent source of energy at man's disposal. There is a certain irony in the fact that while so much attention was focused on the potential dangers of Three Mile Island's hydrogen bubble and escaped radiation, people were actually dying in fires

— 25 in one, dwelling place for the aged and ill in Missouri, to cite a single example.

Moreover, while it is obvious that the introduction of nuclear power to the world at large came through the death and destruction caused by two atomic bombs, man had already, long since, applied his ingenuity to making fire a weapon. The firestorms of Hamburg and Dresden, the "conventional" bombings of Japanese cities, were deadlier than the nuclear devastation of Hiroshima and Nagasaki.

But the perils of atomic fission cannot be dismissed by recalling those of simpler forms of energy. Nuclear power is far greater, its effects spread over wider areas and may be very long in revealing their fatal impact. Above all, their complexity has only been effectively studied for some 40 years — the techniques and the perils involved are still very new in man's experience.

In Greek mythology, Prometheus was credited with giving man the ability to start the fires that nature spews out of volcanoes and darts down in lightning. Nuclear energy is able to do much more for, or to, humanity. Even such accidents as that which threaten so wide a region in Pennsylvania and its neighbors, can be put to good service, and must be, if nuclear energy is to play a constructive role in a world that needs it.

Rogue Regime

How does the international community deal with rogue regimes, those that under the color of national sovereignty commit unspeakable crimes against their own citizens? We have in mind not the mass deprivation of rights practiced by police states everywhere, but the virtual genocide perpetrated by such regimes as Pol Pot's Cambodia and Idi Amin's Uganda. Pol Pot has already been driven from formal power. Idi Amin concerns us here.

President Amin seized power eight years ago, relying on his own small tribe and, in largely Christian Uganda, on the small Moslem minority. He murdered several hundred thousands of Ugandans, most of them members of other tribes and Christians. Because of his reaching out to a Moslem constituency, he won crucial aid from Arab countries. For religious and political reasons of their own, they cynically and myopically exploited his greed. The Saudis have given millions of dollars. Egypt has helped. Palestinians welcomed Mr. Amin when he turned on Israel. Libya has at least twice provided arms and soldiers in times of military crisis. The common impression of President Amin as internationally isolated is misleading. And, of course, the Soviet Union has been behind him.

In the early 1970s, Tanzania's Julius Nyerere, who hates President Amin, loosed a force of Ugandan exiles on him — to no avail. Only last October did Mr. Amin, by invading and occupying northern Tanzania, give President Nyerere the cause he needed to overcome his reservations about intervention and to attach Tanzanian units to a second force of Ugandan exiles. President Nyerere is responding to an attack on his own territory. In undertaking to bring down Mr. Amin, he is performing a genuine service for Africa. He is serious enough to be willing to risk the severe embarrassment of being beaten back by the well-equipped Lybians, who now seem to be doing almost all of Idi Amin's fighting. The current battle for Kampala may tell.

So arbitrary are Africa's national boundaries and so fragile are its political systems that it makes almost everyone jittery to see troops crossing an established African frontier. Yet when so many countries have acted this badly in a given situation, it seems hypocritical to say border-crossing is never justifiable. Our hope now is for a quick victory by the Ugandans supported by Tanzania, for the departure of all foreign forces, and for the relative calm in which Ugandans can rebuild their broken and mutilated nation.

THE WASHINGTON POST.

International Opinion

Nuclear Accident in U.S.

The catastrophe in Pennsylvania should make the nuclear experts a little more humble and the politicians a little more discerning. . . . On the other hand, whether we want it or not, nuclear power belongs to our history. It is no longer a question of exorcising the evils. It is a question of mastering the techniques.

But no one can ignore that the distress and concern raised by nuclear energy is caused partly from a too passionate approach to the problem. From this point of view, the [French] government should set up a clear and genuine debate.

— From Le Matin (Paris).

The Harrisburg accident is the occasion for a formidable anti-nuclear campaign. . . . We are being told that nuclear plants are dangerous. This is true. But is there a risk-free source of energy? . . . There were no casualties in Harrisburg. How many workers have died in coal mines? . . .

There is no risk-free economic development, no industrial modern society without dangers. . . . Harrisburg will have been useful. The experts asserted that nuclear safety was total. The accident and the ensuing panic among technicians and political leaders showed that things are not that clear.

In the International Edition

Seventy-Five Years Ago

April 4, 1904

Fifty Years Ago

April 4, 1929

NEW YORK — William Randolph Hearst's presidential aspirations have excited much comment in U.S. newspapers. Mr. Hearst is seen as the choice of the rabid "trust busters" and the radical labor element. The Milwaukee Sentinel has criticized the gap between his achievements in public life and his ambitions, and added that "Hearst represents sensationalism and radicalism in all fields." And the Dallas News remarked: "It is Mr. Hearst's privilege, of course, but no man was ever elected president with his hair parted that way."

PARIS — The death this week of U.S. Ambassador to France Myron Herrick brings to mind his most notable exploits. In September, 1914, when the Germans were on the outskirts of Paris, and the French government and newspapers had fled to Bordeaux, Herrick stayed in Paris, thereby inspiring troops at the front, who felt he represented U.S. opinion. In that fateful month, Herrick helped put out this newspaper with the skeleton staff left in the city. Later, Herrick encouraged the young Americans of the Lafayette Escadrille, the flying corps so rich in heroism and self-sacrifice.



Rhodesia: A Case for U.S. Compromise

By Michael A. Samuels

WASHINGTON — Rhodesia is in the process of two major, but inter-related struggles. One is the struggle for independence and the creation of a majority-ruled, independent Zimbabwe. The other is a civil war. These two different struggles constantly overlap, but their nature must be recognized by those who would devise an appropriate U.S. stance toward the situation there.

The seeds of the Rhodesian problem are well known. Under the leadership of Ian Smith, a white population — less than 5 percent of the country — has been holding effective governmental control since declaring independence unilaterally in 1965. Since then, Smith has earned the distrust of whites, Africans and the international community alike. In fact, few would trust any settlement in which he personally plays a part. Nevertheless, during the last couple of years, Smith has moved a previously intransigent white community in the direction of a compromise with certain black nationalists.

Partners

As part of this accommodation, last March Smith formed an interim government that included as partners three African leaders: Bishop Abel Muzorewa, Rev. Ndabaningi Sithole and Chief Jeremiah Chirau. The two other major African leaders, Joshua Nkomo and Robert Mugabe, refused to join the interim government, formed an alliance called the Patriotic Front, and have vowed to disrupt the April 20 elections to be held by the interim government before handing control over to the black majority.

If the scheduled election does take place and an African majority government comes to power at that point it will be fair to say that the independence struggle has ended. However, it is unlikely that such a government would receive international recognition. In fact, it would certainly not receive African recognition, despite the fact that representatives of the black majority would be in power.

Part of the reason for this apparent anomaly would be the continuing civil war. More important, however, would be the fact that the black leaders of the interim government have made so many compromises with the Ian Smith regime that their credibility is seriously damaged among many outside observers.

Smith's Exit

Expansion of the fighting in Rhodesia indicates that it may be damaged there, too. Smith's own inconsistencies about his political future further worsen the situation. One thing is clear: Ian Smith's early departure from the political scene would lead to greater acceptability of a majority-ruled Zimbabwe, would be a great asset toward a solution in Rhodesia and would clearly serve U.S. interests.

But Smith's exit would not end the civil war, which will continue after the April elections. In fact, the civil war is already assuming alarming proportions. Within the last few weeks, Zambia, Mozambique and Angola, all of which harbor Zimbabwean guerrillas, have been attacked by Rhodesia. The political structure of military vulnerable Botswana is threatened by the overflow of the Rhodesian conflict.

And the continued instability has serious implications for the April 20 election. Certainly, short of a coup or a revolution, some sort of election must be held before the interim government can evolve into one run by the black majority. But the widely held African viewpoint — a viewpoint shared by many observers — is that since the interim government is illegal, and the Patriotic Front is not taking part, the election itself is illegal. Furthermore, under the current martial law, with the parties of the Patriotic Front outlawed and the press under government control, many question how "free" such an election can be.

Validity

Nevertheless, despite shadows already cast on its validity, the election is scheduled. The manner in which it is held, and its results, will be very important for U.S. policy, especially since passage of the International Security Assistance Act of 1978, which requires President Carter to determine whether a government installed in Rhodesia has been "chosen by free elections in

which all political and population groups have been allowed to participate freely."

After steadfastly failing to choose sides under four administrations, the United States should not do so now that the conflict has reached civil-war proportions. By seizing the lead in resolving the Rhodesian problem, the Carter administration took a risk. As a result, Rhodesia has been made to look like a U.S. problem instead of a African problem that should be solved by Africans.

Seek Compromise

The current task of the United States should be to urge African leaders to seek a compromise.

In Africa, few issues lead to unanimous opinions; one exception is the need for majority rule and an end to white domination in southern Africa. The liberation struggle has unanimous legitimacy throughout Africa. Even those African leaders who are friendly to the United States and actively concerned about Soviet and Cuban activities in Africa, are even more concerned about minority rule in southern Africa. So they are prepared, if reluctantly, to accept Soviet-Cuban activities on behalf of southern African liberation. Thus, Soviet involvement could be widely popular. The goal of U.S. policy should be to prevent such opportunities from developing.

There are three immediate actions with long-term implications that would boost U.S. interests in this area. All of these require that the United States judge the area of importance for U.S. national interests. Given the problems in Rhode-

sia and the probable forthcoming problems over the next decade in South Africa, the United States must see the southern African area as one that is sufficiently threatening to U.S. national security to justify allocating important funds to influence events there in the future.

The three suggested actions include:

- A large sum of money should be earmarked for Security Supporting Assistance, to be used in maintaining U.S. credibility and perhaps eventually to influence some of the thinking of some of the countries in the southern African region. The administration has wisely sought an increase in Security Supporting Assistance in the fiscal year 1980 budget. This should be further increased.

- In spite of the political inclination of their leaderships, both Angola and Mozambique should receive U.S. aid. These countries currently do not receive such aid. It is important to U.S. interests to remain helpful to these countries as the southern African drama is played out.

- Both from a humanitarian point of view and from the point of view of hard U.S. interests, the United States should undertake a large refugee assistance program in southern Africa, not excluding helping groups that appear to be closely connected to liberation movements. After all, given the human problems of Rhodesia and South Africa, there will be increasing numbers of refugees in neighboring countries. Liberation movements will recruit from the refugee population. It is in the interests of the United States to become involved in humanitarian, nonmili-

taristic treatment of people who are now refugees, but who will be future citizens in a changed southern Africa.

On Right Side

Being on the "right" side of the many internal factions in Rhodesia is less important than ending the conflict peacefully with both international and African credibility. In fact, so complex are the allegiances and ideologies among the parties and the leaders of Zimbabwe, and among those of their international supporters, that it is impossible to label any side "good guys" or "bad guys." Certainly, the U.S. approach to policy-making for southern Africa must not be to support automatically whatever sides oppose the Russians.

Backing the internal settlement is not the only course of action open to the administration. For instance, Egyptian President Anwar Sadat — one of the most vocal critics of Soviet activity in Africa — supports the Patriotic Front and Nkomo, even though Nkomo also has Soviet endorsement.

In the face of all of the intricacies of the situation, the United States should work for a compromise assuring a free election, preferably with outside supervision.

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The Health of SALT

By Joseph Kraft

WASHINGTON — Samuel Johnson's famous comment about hanging ("... when a man knows he is to be hanged in a fortnight, he concentrates his mind wonderfully") expresses what news of Leonid Brezhnev's latest illness does for that most abstruse of all subjects — a new Strategic Arms Limitation Treaty. The news concentrates the mind on the essentials.

It exposes the relative unimportance of the raging technical arguments. It underlines the vital nature of the political considerations.

Mr. Brezhnev, to be sure, is not dead. He has had another bout of influenza and has been obliged to postpone a scheduled meeting in Moscow with President Valery Giscard d'Estaing of France.

Wondered Aloud

But the latest illness comes on top of ailments affecting his breathing, his hearing, his speech and his general vitality. The onset was so sudden that the visit was cancelled only 48 hours before it was to take place. The severity of the attack was such that the French were told the visit could not be rescheduled until April 25 at the earliest.

For the first time, furthermore, the Russians formally acknowledged that Brezhnev had a health problem. One high Soviet official even wondered aloud to a French diplomat whether Brezhnev would be in shape to participate in the meeting of the Supreme Soviet and Communist Party Central Committee scheduled for the week beginning April 16. Obviously he is in poor condition.

His health, to be sure, does not affect the substantive elements of the arms limitation treaty in any way. It comes into play because the

substantive arguments are so muddy.

U.S. supporters of the treaty say that it will reduce the total number of Soviet missile launchers and the number of missiles with multiple warheads (MIRVs). They say it will restrict new types of heavy systems where the Russians are strongest. They claim it will preserve for the United States the rights to move ahead with Cruise missiles, the recent submarine and a new, mobile, land-based missile known as the MX.

Opponents argue that the checks on Soviet developments are weak and beyond verification. They assert that the United States, whatever its rights, will in practice accept limits on new weapons developments that would eventually render the United States strategically inferior to the Soviet Union.

No Consensus

Even the experts have no consensus in this debate. But given the huge buildups on each side, and the terrible risks involved in starting a nuclear war, it does not seem likely that either side can gain a decisive edge under the new treaty, which is where the political arguments come into play.

At present the SALT negotiations are the only major bilateral business being conducted by the United States and the Soviet Union. If there is no arms treaty, the web of contacts known as détente will dwindle to almost nothing.

Neither side formally acknowledged that behavior in other areas is linked to SALT. But implicitly each superpower has recognized a connection. The prospect of quelling a treaty and a summit meeting has imparted to each side an added measure of restraint.

The United States has clearly been careful about the Chinese connection — particularly about selling arms to China — in order to keep the door open for eventual agreement on SALT. The Soviet Union has been less than forthcoming in its own disclosures, U.S. journalists and would-be emigrants for the same reason.

successors might go on and approve the treaty as his legacy.

But such a happy ending is uncertain. Brezhnev has made SALT his special affair, resisting clear challenges from the military and other political leaders. So in a competition for leadership that followed his demise, SALT could well be a casualty — at least for a long time.

New Buildup

In that case, one inhibition against provocative actions by Moscow and Washington would be diminished. Moreover, it would be that much more difficult to contain the arms race.

For the treaty keeps in force a detailed system for counting and verifying the strategic forces on each side; with that system gone, there would be no check on worst-case scenarios. Suspicious "off-ramp" and the lid would be off a new burst in the military buildup.

The uncertainty would be the greater because there would be no automatic follow-on from SALT-2 to a more comprehensive SALT-3. Neither would there be the summit meeting which is due to accompany the signing of the arms control treaty.

Substantive doubts about SALT wither away in these conditions. The political import of the treaty outweighs any technical blemishes — international politics minus a treaty would simply be far less safe than with a treaty that is less than perfect.

On Dealing With Saudi Power Play

By Rowland Evans and Robert Novak

RIYADH, Saudi Arabia — The failure of a secret U.S. warning just before Saudi Arabia imposed its 1973 oil embargo has left President Carter, more than years later, to take a low-key approach in seeking support for Egyptian-Israeli peace treaty from the Saudis. It was not even the eve of their international leverage.

The warning was a sharp one from then-Secretary of State Henry Kissinger to the Saudi government. It was pointedly recalled by the royal family in confidential talks with U.S. Ambassador James West shortly before national security adviser Zbigniew Brzezinski's treaty-selling mission to Jordan in Saudi Arabia.

Kissinger warned that if the weapon was used, the United States would not be "responsible" for the security of the oil fields. It would consider all obligations in the defense of Saudi Arabia against outside attack terminated. But if oil weapon was used with a vengeance, and without U.S. repeat. When it was clear U.S.-Saudi relations immediately returned to their former intimacy.

Clever Use

The Saudis' clever use of the Kissinger warning today tells good deal about the upward shift of the crisis atmosphere in the United States and the industry (worldwide) caused by the revolution in Iran, the always subtle, almost indirect Saudis are sending a message to Jimmy Carter: If you screw on us, you are the one who will be squeezed.

The Saudi princes do not have stress the obvious. In about a year the Soviet Union will be in the world oil market in a big way for the first time, as their own production slows and demands in Soviet-bloc grow.

The Carter understood is a caution: Inescapable from shrewd, careful way in which Brzezinski handled his delicate mission just before the treaty was signed, Brzezinski told Prince Fahd, top man here, first that the Arab-Mideast Soviet strategic threat too ominous to permit a split between the United States and Saudi Arabia; and second, Carter's intention to bring his around to a solution of the Palestinian problem is a personal "commitment."

The Saudis accepted that key presidential promise. In Brzezinski's delivered without it, pressure from Washington. It leaves the mood here toward United States as one of watch a wait, with no disposition either increase oil production because United States wants it or to use as an anti-U.S. weapon.

We are not going to start crusade to undermine Jimmy Carter's hope for a comprehensive Arab-Israeli peace," one of handful of top princely policy-makers told us. Asking not to be quipped by name, this official ruled out a chance that Congress would in the result of the visit here last year, that finally authorized by F-15 aircraft to Saudi Arabia.

The realistic suspicion is here, just as we found it in the past, that the principal object of Saudi policy is now to confront "confrontation" between the United States and the Arabs, particularly Saudi Arabia. It is known here, for example, that the U.S.-Israeli Public Affairs Committee, a retired lobbyist for Israel in Washington, possesses the most extensive files on the royal family collected, ready for use against Saudi Arabia if and when needed.

The ruling princes credit Carter with having moved Israeli Prime Minister Menachem Begin a distance in two years, recall Begin's boast not to return "grain of sand" to Egypt. They believe Carter can do a lot more and believe his "commitment" to it.

Not Sure

But they do not intend to forever. Despite indications Yemen that Carter may finally moving the United States out dangerous acceptance of the Soviet strategic drive, the Saudis are sure. They watch the world of power carefully, and they sense of their own world influence, that could and probably will mean an unpleasant change in of the most fruitful relations Washington still has going for it.

Britain to Prepay Debt to IMF

LONDON, April 3 (AP-DJ) — Britain plans to prepay \$1 billion to the International Monetary Fund (IMF) as part of a package of other foreign debts including government borrowings, Chancellor Denis Healey said today.

In a written reply to the House of Commons, he said the early repayment was part of Britain's over-strategy of reducing its foreign debt. With the IMF prepayment, Britain will have repaid all of drawings from the agency under standby credit agreed to in late 1976 during the sterling crisis.

Mr. Healey also announced plans to prepay other forms of foreign debt this year. The U.K. Electricity Board is in the process of repaying \$500 million in market debt, and the U.K. Post Office is repaying \$200 million of which was reflected in the latest reserve figures for the Treasury.

An unnamed local authority is currently negotiating to prepay \$500 million of Euro-market borrowings.

A further \$1 billion in market debt would be repaid early this year by local authorities or nationalized industries, he said.

Other Payments

These early repayments are in addition to scheduled payments of \$2 billion of foreign debt coming due this year, making total payments of \$5.2 billion in foreign debt this year.

Britain's outstanding debt to the IMF after the newly announced repayment will amount to 1.7 billion dollars (about \$2.7 billion).

Of this, 700 million SDRs will not be reflected in a drop in the U.K. official reserves because of a planned restructuring. The Treasury said that the full repayment of IMF debt would result in a net drop of 1 billion SDRs in Britain's reserves.

Earlier, the Treasury announced Britain's official reserves of foreign currency, gold and special drawing rights, before the March 31 revision, rose by \$837 million in March to \$17.454 billion.

The monthly rise was the fourth consecutive, following increases of \$59 million in February, \$564 million in January and \$25 million in December.

There was an underlying inflow of \$1.017 billion compared with underlying outflows of \$173 million in February, \$75 million in January and \$241 million in December.

The Treasury also announced that the reserves had been revalued at the end of March 31 under a newly introduced annual revaluation plan announced in February by Mr. Healey.

Reserves were revalued by \$493 billion to \$21.947 billion at the end of March.

Roughly, Britain's gold holdings were revalued upwards by \$3 billion to \$4 billion, based on a dollar price of \$178.50 an ounce. Holdings of foreign currency and SDRs were revalued by \$1.5 billion to \$18.447 billion.

The Treasury stressed that the decision on early repayment of IMF debt was not a result of a change in the government's policy on the debt.

Japanese Share Margin on Loan Offer to China

TOKYO, April 3 (Reuters) — Japanese banks are expected to approve a plan soon to lend the Bank of China \$2 billion for 4 1/2 years at an interest rate of half a point over the London interbank offered rate (Libor) and a \$6-billion, six-month revolving credit at a quarter-point over Libor, banking sources said today.

The terms represent a softening of the Bank of Tokyo and the 22-member Japanese banking syndicate's stance from those discussed a few weeks ago when it was reported that the banks were seeking a margin of 3/4 percent over Libor on the \$2 billion loan and 1/2 percent over Libor for the revolving credit.

Some details are still to be resolved among the banks, but a consensus is expected, after which the ink of Tokyo and the Bank of China will sign a basic agreement, sources said. Comments on the financing facility will be concluded individually between the Bank of China and 31 participating Japanese banks, they said.

The loan and refinancing facility will be applied to existing and future private trade pact between Japan and China signed in February 1978 and extended last week by five years to 1990, they said.

In London, Midland Bank announced it had signed an agreement today to lend the Bank of China \$100 million for use at its discretion. Details about the loan were not available. The bank said it was not syndicated to other banks.

debt was not connected with the decision to revalue reserves from March 31.

Separately, the Bank of England announced that, with the approval of the Chancellor of the Exchequer, it would continue the operation of its so-called special deposit scheme for a further three months. Extension is intended to help ensure that

the growth-rate trend of the widely defined M-3 money supply remains consistent with the existing 8-to-12 percent target.

The supplementary special deposit scheme, or "corset" on the growth of commercial bank interest-bearing liabilities, had been due to expire in June. The extension takes it to September.

BL, Honda Discuss Link; Licensing Plan Said Set

LONDON, April 3 (UPI) — State-owned BL (formerly British Leyland) said today it has been holding talks for the past year with Honda Motor of Japan about possible collaboration between them.

It said the talks are continuing and "are likely to do so for some time."

In Tokyo, however, the Nihon Keizai Shimbun reported Honda had reached broad agreement with BL to manufacture its new compact automobiles in Britain. The newspaper said Honda would grant BL a license to produce 2,000 c.c.-class cars. Honda has developed but which is yet to be introduced.

A BL statement noted that the company has said that some form of cooperative venture with another manufacturer was desirable "because British Leyland has far fewer international links than most major vehicle companies."

It said the company "has been holding discussions" with Honda on "possible areas for technical and business collaboration. British Leyland believes that the size, range of products and technical resources of the two companies offer possibilities for developing combined programs which would be of benefit to both."

The statement gave no details of what was planned. But U.K. press reports said BL is interested in assembling Honda-designed medium-sized cars at its aging factories in the Coventry and Oxford areas.

According to these reports, the cooperation would start with assembly in Britain of Honda cars from parts and engines shipped from Japan under supervision of Japanese technicians.

Later, the reports said, some of the parts might be manufactured in Britain from Honda specifications.

BL, according to these reports, is anxious to conclude some such deal because it lacks a new medium-sized family automobile to take it into the 1980s. Honda currently exports about 20,000 cars to Britain annually compared with Toyota's 100,000.

The presumed attraction to the Japanese company is that it could use the U.K. base for exports to the rest of Europe. Japanese auto exports to Britain are restrained by a voluntary agreement, and several European countries are concerned about Japanese auto imports taking large shares of their markets.

KLM Orders 10 Airbus

AMSTERDAM, April 3 (Reuters) — KLM Royal Dutch Airlines has ordered 10 European Airbus A-310 Airbus and taken options on 10 more, the company announced today.

The order, worth about 1 billion guilders (about \$500 million), is the largest ever placed by the 78-percent government-owned airline. The wide-bodied 210-seater aircraft will replace KLM's European fleet now made up of 18 McDonnell Douglas DC-9 and 16 DC-8 aircraft, the company said.

Yesterday, the West German airline Lufthansa ordered 25 A-310s with an option on 25 more (IHT, April 3).

The KLM Airbus will be equipped with General Electric's CF6-80A engines.

Dollar Recovery Spurring Official Sales of T-Bills

NEW YORK, April 3 (AP-DJ) — Foreign central banks, led by the Bank of Japan, have been selling massive amounts of U.S. government securities in recent weeks, raising funds to support their own currencies in the foreign-exchange market due to the dollar's surprisingly strong recovery.

By one estimate, the Federal Reserve, acting on behalf of customers, mainly foreign official institutions, sold about \$4.2 billion of Treasury bills on the open market last month. Yesterday, it sold an additional \$530 million.

So far, the sales have not hurt the market too much because dealers' inventories have been low, partly as a result of Congress' delay in raising the national debt ceiling.

But specialists are worried that the market could begin to feel the pinch. "Sooner or later, it's going to catch up with the market," one trader warned. "The market is underestimating the pressures that could be coming if the dollar remains strong," he added.

Some pressure was evident yesterday. Partly as a result of the sale of \$530 million of bills with maturities as distant as August, bill prices declined, pushing rates up.

The latest 13-week Treasury bill, for example, closed yesterday at 9.53 percent bid, up from 9.43 percent last Friday. It traded at 9.57 percent early today before easing to 9.52 percent. The companion 26-week issue rose to a bid of 9.50 percent yesterday from 9.48 percent and was trading today at 9.52 percent.

The extent of the increase in rates has been limited by the debt ceiling problems and by the general shortage of securities in the market place," noted David Jones, an economist for Aubrey G. Landon & Co. "But the pressure could become greater later this year," he warned.

Foreigners have substantial dollar investments that potentially could be used to support their own currencies. Most of those were acquired when the foreign central banks were trying to prop up the dollar. According to figures supplied by the Fed, it held more than \$89 billion of marketable U.S. government securities on behalf of central banks and official institutions as of March 28.

These foreign central banks also hold heavy amounts of nonmarketable U.S. government securities

the growth-rate trend of the widely defined M-3 money supply remains consistent with the existing 8-to-12 percent target.

The supplementary special deposit scheme, or "corset" on the growth of commercial bank interest-bearing liabilities, had been due to expire in June. The extension takes it to September.

Stocks Said Hurt by Low Return Rate

Growth in Dividends Outpaced by Interest

NEW YORK, April 3 (AP-DJ) — Despite record and rising dividend payments by U.S. companies, the New York stock markets continue their erratic behavior. While part of the problem may be the cloudy economic outlook, the more rapid increase in return on interest-bearing instruments compared to stocks also may be to blame.

Dividend payments by U.S. companies rose to a record \$50 billion last year, about \$6 billion more than the previous record in 1977, twice the 1972 total and roughly six times the sums paid yearly during the early 1950s.

In relative terms, the dividend flow easily exceeds the 60-percent rise in consumer prices since 1972, not to mention the sharp gain in the average yield to shareholders as dividends increase faster than stock prices.

The dividend yield paid annually by stocks making up the Standard & Poor's index of 500 common shares averaged 5.36 percent last month, up from an average 5.28 percent last year and only 3.77 percent as recently as 1976.

S & P's, which monitors such developments, reports that 1978 witnessed a record number of announced dividend increases — 3,211, up from 2,984 in 1977. The number of "favorable" dividend actions — extras and resumptions as well as increases — climbed to 4,313 last year, also a record.

The pattern has continued this year. In the first quarter, a record 93 increases were announced, up from 844 a year earlier. Moreover, 29 companies resumed payments, up from 16 a year earlier. Only four companies trimmed payments, down from 10 reductions a year earlier.

However, the impressive rise of dividend yield in recent years has come at a good deal less so when viewed alongside the long climb of interest paid on top-rated bonds.

In 1953, the yield figure was 2.6 percent, points higher than the interest level. The gap kept narrowing until, in 1959, interest exceeded yield. That situation has continued since. In 1976, interest exceeded yield by as much as 4.66 points. The edge narrowed to 3.45 points last year, but it recently has widened again, reaching 4.01 points last month, up from 3.83 points in February.

While the choice between investing in the stock market and in corporate bonds or other fixed-income securities entails a good deal more than simply comparing the respective rates of return, it seems clear that a substantial factor in the stock market's failure to soar along with dividends involves the continuing gap between interest and yield.

Moreover, the triple-A interest rate happens to be relatively low, with bonds that are less than top quality carrying larger interest.

A number of signs suggest that the surge in dividends is far from over. Corporate earnings recently have risen sharply, even more sharply than dividend payments. Over the last three years, dividend payments have averaged 42 percent of corporate after-tax profits. That constitutes a relatively low rate. In the previous eight years, the comparable rate dropped below 45 percent only twice. In three of the eight years, it exceeded 50 percent, and in 1970, it reached 62 percent.

A Commerce Department economist who keeps tabs on the relationship between dividends and earnings comments: "More and more corporations seem likely to raise the portion of their profits paid out to shareholders. The payout rate has become exceptionally low, and there appears to be mounting concern among executives over the behavior of share prices. Boosting dividends is a way to give share prices a lift."

Similar assessments come from private analysts. "Investors have made clear to corporate management that they want high and growing dividend returns" in today's inflationary environment, says one analyst.

Treasury Revises Auction Schedule

WASHINGTON, April 3 (UPI) — The Treasury said yesterday it has postponed its auction of 26-week Treasury bills, notes and bonds over the next week to make up for auctions that were postponed due to congressional delay in passing the debt-limit bill.

President Carter signed the bill late yesterday raising the U.S. debt ceiling to \$830 billion from \$798 billion.

The Treasury auctioned today \$6 billion of 23-day cash management bills with an effective coupon yield of 10.09 percent. It plans to auction \$4 billion of 15-day cash management bills, maturing April 19 and \$6 billion of weekly Treasury bills.

Tomorrow it will auction \$3.3 billion of annual bills, maturing April 1, 1980. On Thursday, it will auction \$3 billion of 76-day cash management bills, to mature June 21 and \$2.9 billion of two-year notes, maturing March 31, 1981.

April 10 it will auction \$1.5 billion of reopened 14-year, 10-month Treasury bonds.

AL SAUDI BANQUE CAPITAL INCREASE

The board of Directors of Al Saudi Banque meeting in Riyadh on February 27th, had decided to call an extraordinary meeting of the shareholders in order to approve a further capital increase.

The Bank's capital will be raised to 200 million French francs from its present level of 100 million French francs. A first increase of capital from 50 million French francs to 100 million French francs took place in 1977.

The first call of 25% is anticipated in June 1979.

Wall St. Prices Up in Quarter

NEW YORK, April 3 (AP-DJ) — Last fall's funeral orations for stocks of small and medium companies were premature. The so-called secondary stocks regained their appeal in the quarter that ended Friday and again outshone their bigger brethren in the marketplace.

Overall, the market was more hospitable to investors in the first quarter than the rollercoaster image it presented: four of every five stocks that changed in price finished the first three months with gains over their 1978 closing levels.

In an analysis of the quarter's activity by Interactive Data Corp., the resurgence of secondary stocks was reflected in the market averages. While the Dow Jones industrial average rose 7.1 percent and Standard & Poor's 500-stock composite was up 5.7 percent, the American Exchange's index climbed 19.35 percent, the Nasdaq composite index of over-the-counter stocks gained 11.68 percent and the Value Line composite was ahead 11.73 percent.

Although oil stock turnover was high in March, the quarter's best gains by group were registered by copper, discount retail store, fertilizer, miscellaneous metal and metal fabricating stocks. Standard & Poor's index of low-priced common stocks, treated as an individual group, ranked just under miscellaneous metals in Interactive's listings. Groups with the worst showings were distillers, cosmetics, airlines, hospital supplies, soaps and broadcasters.

Gains by the 30 best-performing New York Stock Exchange issues ranged upward from 61 percent. Heading the list were Stone Container, up 162.5 percent, Caesars World 139.8 percent, Baker Industries 118.5 percent, Puritan Fashions 111.1 percent, Texas International 105.5 percent, Cook United 100 percent and American Motors 94.7 percent.

Big board losers were topped by Textile Industries, off 35.4 percent, Polaroid 25.6 percent, PSA Inc. 23 percent, Fotomat 20.5 percent, Universal Foods 19.4 percent, Superscope 17.5 percent and Samba's Restaurants 17.5 percent.

On the Amex, Interactive's computers found 11 issues that doubled or better. They were Juniper Petroleum, up 195 percent, Cordion International 160 percent, Crown Central Petroleum 135 percent, Prime Motor Inns 133 percent, Baruch-Foster 130 percent, Polychrome 129 percent, Sandgate 120 percent, Reeves Telecom 115 percent, Cook Paint & Varnish 114 percent, UNA Corp. 112 percent and Howell Corp. 100 percent.

Biggest Amex losers were Golden Cycle, off 49.6 percent, CHB Foods 35.9 percent, Quebecor 27.5 percent, Drug Fair 26.7 percent and Iroquois Brands 23.8 percent.

Unlisted Stocks Gain

Seven unlisted stocks tripled or quadrupled, five of them from year-end 1978 prices under \$1 a share. They were Datab, Cavanaugh Communities, Guardian Chemical, Florida Water and Utilities, Para-Medical Enterprises and Wulf Oil. Biggest over-the-counter losers were: Teltronics, off 65 percent, Integrity Entertainment, off 58 percent and Ireland's Restaurants, off 55.6 percent.

It was not a particularly glowing quarter for the market's largest, most broadly held issues. Among the 20 stocks with the greatest total value, 11 failed to do as well as the Dow Jones industrial average, including two that recorded price declines.

Of the 20 largest issues, IBM rose 5.7 percent from its closing 1978 price to \$315 1/4 last Friday, AT&T rose 7.8 percent to \$61, Exxon 7.4 percent to \$52 1/4, GM 5.8 percent to \$56 1/4, GE 1.9 percent to \$48, Eastman Kodak 9.2 percent to \$64, Schlumberger 8.4 percent to \$102 1/4, Standard Oil of Indiana 4.6 percent to \$59 1/4, Standard Oil of California 1.6 percent to \$47 1/4, Mobil 7.2 percent to \$74 1/4, Texaco 7.3 percent to \$25 1/4, Atlantic-Richfield 8.1 percent to \$61 1/4, Sears, Roebuck 6.3 percent to \$21, Du Pont 12 percent to \$141 1/4, Standard Oil of Ohio 16.8 percent to \$49 1/4, Shell 15.6 percent to \$37 1/4, Phillips Petroleum 8.7 percent to \$34 1/4 and Ford 4.3 percent to \$43 1/4.

Minnesota Mining fell 8.3 percent from its closing 1978 price to \$57 1/4 last Friday and Procter & Gamble was off 8.9 percent to \$81.

Foreign Bank May Tap U.S. Paper Mart

By Karen W. Aronson

NEW YORK, April 3 (NYT) — The thriving U.S. commercial paper market is expected to be officially opened to foreign banks for the first time next week.

The Securities and Exchange Commission is expected to clear the way for the Australian Resources Development Bank, supported jointly by the Australian central bank and nine commercial banks, to issue \$30 million in paper.

Five other foreign banks also have applied for clearance and dealers say another 25 to 30 foreign banks — looking to raise some \$2 billion to \$3 billion — are waiting on the sidelines.

We have several foreign banks applying for credit ratings and a dozen or so good prospects," says George Van Cleave, a partner at Goldman Sachs, the investment banker for the Australian bank. "The potential for big size is there," he says.

Finland Floats Bond

PARIS, April 3 (IHT) — Finland is to become the first direct sovereign credit to float a Eurobond denominated in special drawing rights (SDRs). Its five-year, 50-million SDR issue is expected to carry a coupon of 8 1/2 percent.

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Prices Rise Sharply on Active NYSE

Institutions Active; Nuclear Issues Gain

NEW YORK, April 3 (UPI) — New York Stock Exchange prices moved sharply and broadly higher in active afternoon trading, helped by cash-laden institutions eager to participate in a spring rally.

The Dow Jones industrial average, which lost 6.93 points yesterday, was ahead 11.52 to 866.77 at 3 p.m.

Advances led declines 983 to 346 in late trade while the five-hour NYSE turnover rose to about 27.20 shares from the 24.48 million traded during the corresponding period yesterday.

Analysts said institutions, seeing the market did not retreat severely in the face of adverse news, became active for fear of missing a major market move. They added the market so far appeared to be ignoring the Teamsters strike/lockout.

Nuclear-energy and related issues rebounded a bit as the radiation crisis at Three Mile Island near Harrisburg, Pa., abated. A number of analysts were recommending the stocks because they were low-priced following the recent drubbing.

However, General Public Utilities, trading for the first time since Friday, was active and lower following an opening block of 200,000 shares at 15, down 1 1/4. GPU's subsidiary, Metropolitan-Edison, runs the Three Mile Island nuclear plant.

Kerr-McGee, a major uranium supplier whose stock was battered recently, was higher in trading that included a block of 128,000 shares at 49.

MacMillan Inc. was active after gaining 1 1/4 points yesterday when the company said it would consider merger possibilities under certain conditions.

Airlines, which registered strong February sales, were strong. Trans World Corp., parent of TWA, and American were higher much of the session.

American Stock Exchange prices were higher in moderate trading with index up 1.95 at 179.41 at 3 p.m.

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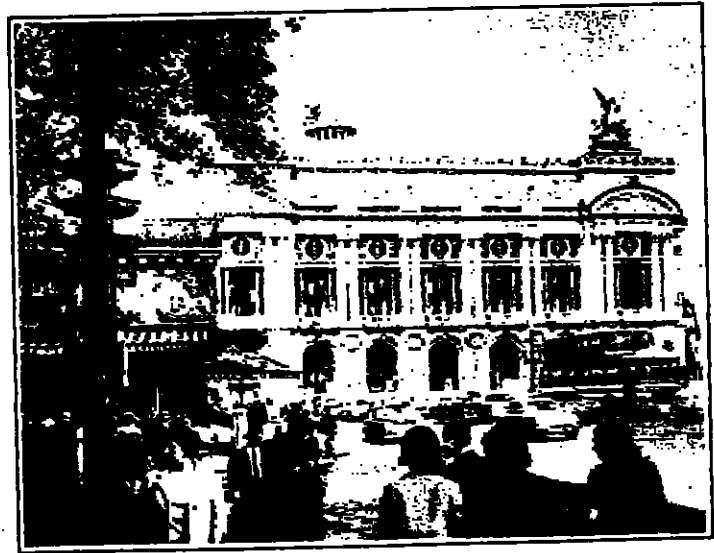
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